

ETON COLLEGE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

Registered Charity No. 1139086

Eton College

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Eton College
Trustees, Officers and Advisors
For the year ended 31 August 2021

The Governing Body of Eton College, known as the Provost and Fellows, are the charity trustees. The Provost and Fellows who served during the period up to the date of signing are listed below:

	Committees (see below)							
	SC			H	N			
Lord Waldegrave of North Hill PC MA – Provost	SC			H	N			
Dr Andrew Gailey CVO MA PhD – Vice-Provost to 31 Aug 21	SC			H	N			R
Mr Peter McKee MA- Vice-Provost from 1 September 21	SC			H	N			R T
Professor Michael Proctor MA MMath PhD ScD FRS FIMA								
The Duchess of Wellington OBE BA				H	N			
Professor Kim Nasmyth BA PhD FRS					N			
Lady Moore of Etchingham MA PhD				H				R T
Mr Hamish Forsyth MA (retired 26 June 2021)			I		N	S	E	
Mr Thomas Seaman MA MBA		A	I			S	E	
Mr Mark Esiri LLB MBA			I					T
The Rt Honourable Sir George Leggatt MA								R
Sir Mark Lyall Grant GCMG MA		A				S	E	T
Baroness Morrissey DBE MA			I					T
Mr Simon Vivian MA, MSc, FSS (appointed 1 October 2021)					N	S	E	

During the year, the activities of the Governing Body were carried out through nine committees as listed below. The membership of these committees is shown in the table above for each Fellow.

- Standing Committee (which any Fellow is entitled to attend) (SC)
- Audit and Risk Committee (A)
- Investment Committee (I)
- Heritage Committee (H)
- Nominations Committee (N)
- Senior Salaries Committee (S)
- Executive Pay Committee (E)
- Regulatory and Compliance Committee (R)
- Eton Partnerships Committee (T)

Eton College

Trustees, Officers and Advisors

For the year ended 31 August 2021

OFFICERS

Key Management Personnel currently and throughout the year.

The day-to-day management of the College is delegated by the Provost and Fellows to:

- Simon Henderson MA Head Master
- Janet Walker MA FCA Bursar
- Susan Wijeratna BA Lower Master

BANKERS AND ADVISORS

Bankers Barclays Bank PLC, One Churchill Place, Canary Wharf, London, E14 5HP

Solicitors Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Charles Russell Speechleys, 5 Fleet Place, London, EC4A 1RS

Auditor Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Investment Managers Partners Capital LLP, 5th Floor, 5 Young Street, London, W8 5EH
Clearbell Capital LLP, 2 Harewood Place, London, W1S 1BX

PRINCIPAL ADDRESS

Eton College, Eton, Windsor, Berkshire SL4 6DW

Website: www.etoncollege.com

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Eton College was founded as a corporation in 1440 by Royal Charter of King Henry VI, confirmed by later Acts of Parliament and by the Statutes approved by HM The Queen in Council, most recently in October 2016. The College is a charity and its Charity Commission registration number is 1139086. The statutory title of the charity is “The Kynges College of our Ladye of Eton besyde Windesore”. The short title is “Eton College”.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

The College Statutes provide: “The Foundation of the College shall consist of the Provost and Fellows (one of whom shall be the Vice-Provost), the Head Master, the Lower Master, the Bursar, the Master in College, the Conduct, the Precentor and the King’s Scholars. The Governing Body of the College shall comprise of the Provost and Fellows”.

The Provost is a Crown appointment for life. The Vice-Provost is elected by the Provost and Fellows (usually referred to as the P&F) and is normally a master or former master. The Provost attends to the good governance of the College and exercises a general superintendence over the property and affairs of the College. The Vice-Provost has the same duties under the Provost, taking care that all persons concerned in the administration or service of the College conform to the Charter and Statutes. They are both resident at the College. This unusual feature of governance at Eton provides for close awareness at governor level of issues affecting the College, and for support of the Head Master. Details of the Provost and Fellows are set out in the table below.

Date Appointed	Title and Name	Profile
2009	Provost Lord Waldegrave of North Hill (OE, 1965)	Distinguished Fellow of All Souls College, Oxford and a Government Minister from 1981, serving in the cabinet between 1990 and 1997. He is Chairman of Coutts & Co, Non-Executive Director of GW Pharma plc, Chancellor of Reading University and a member of the House of Lords. Member of Holyport College. Former parent.
2021 (appointed 1 Sept 2021)	Vice-Provost Mr Peter McKee	Former Eton Master in the Mathematics Department from 1994, a House Master from 2000 to 2013 and Director of Admissions from 2014 to 2019. A graduate of Cambridge University and a member of Middle Temple, the Vice-Provost is a trustee of Star Academies Multi-Academy Trust and of a number of charitable trusts, including Eton Parish Educational Trust and the Prince Philip Trust, and a governor of two other schools.
2013	Senior Fellow Professor Michael Proctor	The Provost of King’s College, Cambridge (also founded by Henry VI) is the Senior Fellow ex officio. Professor Proctor is the Professor Emeritus of Astrophysical Fluid Dynamics at Cambridge University. He is a Governor of King’s Ely, a trustee of Gladstone Memorial Trust and Chair of Trustees of the Cambridge Trusts.

Eton College
Report of the Provost and Fellows
For the year ended 31 August 2021

Date appointed	Name	Appointed/ Nominated by:	Profile
2008	The Duchess of Wellington	P&F	Until 2007 a trustee and then Chairman of the Guinness Partnership, a national charitable Housing Association. The Duchess is the Patron of the Loddon School (a special needs school in Hampshire). Governor of the Royal Academy of Music and Chairman of Daneshill School. Former parent.
2009	Professor Kim Nasmyth (OE, 1970)	Royal Society Statute VII 1 (4)	Previously a Fellow of Trinity College, Oxford and Whitley Professor of Biochemistry at the University of Oxford (now retired). His earlier scientific career includes positions at the Universities of Cambridge, Washington and Vienna.
2010	Lady Moore of Etchingham	P&F from Cambridge University Statute VII 1 (3)	A past Fellow and Director of Studies in English at Peterhouse College, Cambridge University. Lady Moore of Etchingham is a journalist, book reviewer and educational author. Former parent.
2016	Thomas Seaman	P&F from Oxford University Statute VII 1 (2)	The Estates Bursar and Fellow of All Souls College, Oxford University. Director of Chicheley Property Company Limited and Animarum Properties Limited. Graduate of Yale (BA) and University of Chicago (MBA). Former parent.
2016	Mark Esiri (OE, 1983)	P&F	Co-Founder and Chairman of venture capital firm Venrex Investment Management, in which capacity he holds board positions in several companies. He is a director of EtonX Limited.
2016	The Rt Honourable Sir George Leggatt (OE, KS,1975)	The Lord Chief Justice Statute VII 1 (5)	Justice of the Supreme Court of the United Kingdom. Former parent.
2017	Sir Mark Lyall Grant (OE, 1974)	P&F	Sir Mark has had a distinguished career in HM Diplomatic Service. He is a former High Commissioner to Pakistan and Ambassador to the UN (until 2015). Most recently, he was the Prime Minister's National Security Advisor. He is a Visiting Professor at King's College London and holds a number of advisory positions. Former parent.
2018	Baroness Morrissey	P&F	Baroness Morrissey has over three decades' experience in investment management, including 15 years as CEO of Newton. She was appointed a Baroness in 2021. The founder of the 30% Club, Baroness Morrissey chairs the Diversity Project and has recently been appointed Chair of AJ Bell. She is a director of McKinsey Investment Office. Author of "A good time to be a girl" and "Style and Substance". Current parent.
2021 (appointed 1 October 2021)	Mr Simon Vivian	Masters Statute VII 1 (6)	Chartered Statistician. Fellow of the Royal Statistical Society. Former Eton Mathematics Master. Lecturer in Statistics at St Anne's College Oxford.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Recruitment and Training of the Provost and Fellows

The Fellows, with the exception of the Provost, Senior Fellow and Masters' Representative, retire after no more than 15 years or at age 70 if earlier. The Masters' Representative serves for a five-year term and may be elected for further five-year terms.

The Nominations Committee identifies suitable nominees to become Fellows in accordance with the nomination requirements set out in the College Statutes and the particular skills and experience identified by the Nominations Committee as required on the Governing Body. Nominees are interviewed by the Nominations Committee.

Upon their appointment, Fellows are provided with an induction pack that brings them up to date with current business and with issues of major importance. There is also a bespoke induction day during which the incoming Fellow spends time with each of the Provost, Vice Provost, Head Master and Bursar and their senior teams.

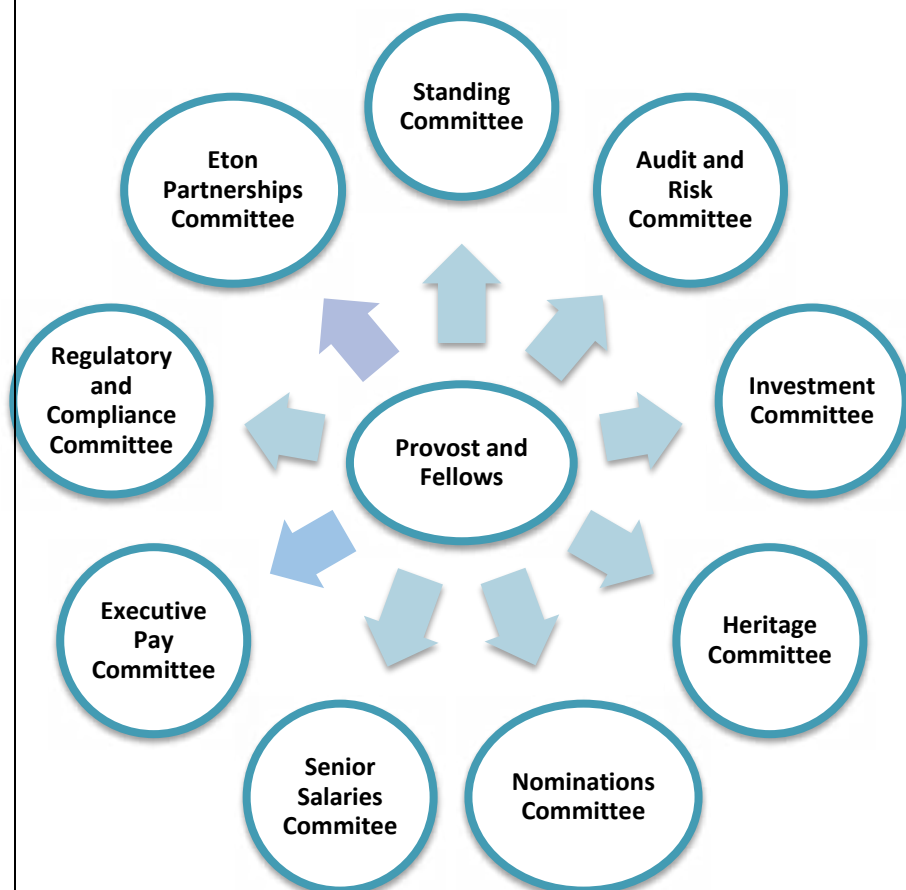
A rolling programme of familiarisation with the work of the College and its staff is arranged. Training opportunities provided by external organisations are taken up and in-house training is undertaken in respect of key areas (e.g. safeguarding, safer recruitment, and duties of charity trustees).

Organisational management

Strategic direction and decision-making lie with the Governing Body, the Provost and Fellows, who meet twice each term at Eton or virtually if necessary. They usually devote the previous evening to an activity that deepens their knowledge of the College and of issues of current importance, for example by means of a departmental presentation, themed discussion with a particular group of masters or boys, attendance at an event (e.g. school play) or presentation on outward facing initiatives (e.g. Eton Partnerships Programme).

The work of implementing their policies is carried out by nine committees detailed on page 6.

Eton College
Report of the Provost and Fellows
For the year ended 31 August 2021



The Standing Committee, chaired by the Provost, oversees the administration of the College within the strategic and policy framework, and plans and reviews the agenda and papers for the Provost and Fellows' meetings. Any Fellow may attend.

The Audit and Risk Committee, chaired by Mr Thomas Seaman, monitors all strategic risks facing the College, and reviews and scrutinises the Annual Report and Financial Statements prior to approval by the Provost and Fellows.

The Investment Committee, chaired by Mr Thomas Seaman, provides investment advice from a group of experts and reviews the mandate given to Investment Managers, Partners Capital LLP. It has a sub-committee, the Investment Property Committee, which oversees the College's investment property holdings which are managed by Clearbell Capital LLP.

The Heritage Committee, chaired by the Provost, oversees the management of Eton's historic buildings, environment, and collections.

The Nominations Committee, chaired by the Provost, manages the processes for appointment of those Fellows who are elected by the Provost and Fellows and members of the Foundation.

The Senior Salaries Committee, chaired by Sir Mark Lyall Grant, is responsible for remuneration decisions in respect of the Provost, Vice-Provost, Head Master, Lower Master and Bursar.

The Executive Pay Committee, also chaired by Sir Mark Lyall Grant, is responsible for senior management remuneration decisions.

The Regulatory and Compliance Committee, chaired by the Vice-Provost, monitors and reviews non-financial regulatory compliance by the College, particularly compliance with the Independent Schools Standards Regulations and National Minimum Standards for Boarding Schools.

Eton Partnerships Committee, chaired by the Vice-Provost, monitors and oversees the governance of the Eton Partnerships projects.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

The day-to-day running of the College is delegated to the Head Master, Bursar and Lower Master, as key management personnel, supported by other members of the senior management team; they attend the Provost and Fellows' meetings.

Group structure and relationships

Eton College has seven wholly owned subsidiaries, four of which, listed below, are consolidated into the Financial Statements. The remaining three subsidiaries are not consolidated on the grounds of immateriality.

- **Eton College Services Limited** undertakes sporting and hospitality related trading activities.
- **Rowns moss Limited** manages a small portfolio of investment properties.
- **EtonX Limited** provides soft skills courses via online education to high school students. In the UK the courses are provided free of charge to state schools as part of Eton's outreach activities, and on a commercial basis world-wide. The company also provides a white-labelling service for its software platform.
- **Eton Online Ventures Limited** previously provided services to Eton Limited but became dormant during the year.

The results of the subsidiaries are shown on pages 31 to 34. The dormant subsidiaries are listed on page 31.

Employment Policy

The College is an equal opportunities employer. Communication with employees is through a variety of channels, in a variety of forms. For example: announcements by the Head Master and Lower Master to all masters and senior support staff are followed up by an e mail to all staff, e-mail briefings to all staff about the matters discussed in the meetings of the Provost and Fellows, and informal briefings by managers to members of their teams.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The College was founded by Henry VI for the worship of God and the education of young men to the service of the church and state.

In the preamble to the amended statutes of October 2016, the charitable objects are stated as:

- The advancement of education by the provision, support and conduct of a school known as Eton College and by ancillary or incidental educational activities (including the conduct of services in its chapel or chapels) for the benefit of students (being persons enrolled on a course of study provided by Eton College) and/ or the wider community.
- For the benefit of the public, the preservation, maintenance, improvement and repair of:
 - the buildings and fabric of Eton College (including the chapels of the College) which are of architectural or historical importance; and
 - the furniture, pictures and chattels of any description having historic or artistic interest connected with the College.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Primary Objectives

Eton is a full boarding school educating over 1,340 boys aged 13-18 committed to:

- Providing a broadly based, high quality education designed to enable all boys to discover their strengths and to make the most of their talents within Eton and beyond;
- Promoting the best habits of independent thought and learning in the pursuit of excellence;
- Engendering respect for individuality, difference, the importance of teamwork and the contribution that each boy makes to the life of the College and community;
- Supporting pastoral care that nurtures physical health, emotional maturity and spiritual richness;
- Fostering self-confidence, enthusiasm, perseverance, tolerance, loyalty and integrity.

The College's medium to long-term aims and short-term targets are reviewed annually by the Provost and Fellows.

Medium to long term aims include:

- Offering an academic programme that allows a flexible approach to meeting the individual needs of boys both for their careers and personal development;
- Continuing to deliver an outstanding and comprehensive range of co-curricular activities;
- Offering greater access to the education provided by the College by increasing over time the percentage of boys receiving financial help with fees and the number of boys paying no fees at all;
- Implementing the Eton Partnerships programme as detailed in the Public Benefit Section below;
- Completion of the second phase of the sports facilities;
- Construction of a new board house, subject to planning permission.

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit and Risk Committee considers annually approximately 60 risks under the headings of finances, operations, regulatory and reputation, ranks them as to likelihood and impact, and reviews the control measures for each of the risks. The resulting risk register is presented to the Provost and Fellows annually. Within this context, the key risks in very brief summary are:

- Failure to safeguard the wellbeing of its boys
- Failure to comply with Charity Commission or Independent School requirements
- Risk of cyber-attack on IT systems and data
- Occurrence of a major incident such as flood, fire or irreparable damage to one of the historic buildings

These risks have been reviewed by the Provost and Fellows and systems have been established to mitigate them to an acceptable level.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

The key controls used to manage risk are:

- Comprehensive safeguarding procedures, as required by law, for the protection of children
- Detailed terms of reference and formal agenda for all Governing Body and Committee activity
- Recommendations of external IT review implemented and additional safeguards introduced
- Comprehensive insurance in place. Collections rescue plan. Flood Management in place

FUTURE PLANS

Key elements of the College's future plans are:

- Implementation of the Eton Partnerships initiatives
- Continuation of the new sports facilities build
- Construction of a new Boarding House, subject to planning

PUBLIC BENEFIT

Progress of the Eton Partnerships Initiative

In May 2020 a new Eton Partnerships Initiative was launched. The Head Master's message fundamentally restated our commitment to the wider educational commonwealth and, in particular, to closing the educational gap at a time when it has been significantly widened by the impact of Covid. This Initiative comprises four major strands:

- To establish up to three free schools in the Midlands and the North.
- To maintain the number of 100% bursaries.
- To continue the offer to all UK-based state schools to use EtonX online self-study courses free of charge.
- To form partnerships with schools serving the 11-16 age range and other organisations raising aspiration and attainment in young people.

Foundation of a new free school project

In June 2021, the College signed a landmark partnership agreement with Star Academies, a leading state school provider, with the intent of bidding for up to three selective state sixth form colleges in the next five years. Proposed to be located in the Midlands and North of England, the colleges will fast-track young people, often from deprived communities, to the most academic UK universities. It will do this by blending Eton's educational philosophy, including a rigorous and academic curriculum, with the ethos and approach of Star Academies. The colleges will be inspired by the hugely successful London Academy of Excellence in Stratford, East London.

It is intended that the new colleges will each admit 240 students per year and will offer many of the educational and extra-curricular opportunities available to pupils at Eton, including knowledge-rich teaching from some of the country's most respected subject specialists, access to talks from high-profile speakers, academic essay prizes and debate clubs, Oxbridge-style tutorial sessions and the chance to learn Latin. Some teaching will be delivered virtually by Eton staff and students will have a chance to attend Eton College annually for a Summer School.

The new colleges will be part of the Star Academies multi-academy trust and will focus their recruitment on young people on free school meals or who live in particularly deprived areas. Eton will make a significant and ongoing financial contribution that will allow for the enhanced curriculum and the provision of enrichment opportunities.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Star Academies and Eton will bid through the anticipated next wave of the government's innovative free schools programme to set up these new colleges. Subject to approval, we hope that the first college will open in September 2024 with two others to follow thereafter.

Scholarships and Bursaries

The Provost and Fellows are committed to the provision of scholarships and bursaries designed to continue to widen access to the education that Eton provides. Scholarships are fee reductions which have been awarded through competition on academic or musical merit; bursaries are fee reductions awarded according to need. Assessments of financial need are made through detailed means testing, with awards being decided by the College's Bursaries Committee. New Foundation Scholars, who are boys previously educated in state-funded schools, pay only what can be afforded. Similarly, we have the generous Orwell Award scheme, which offers a transformative sixth form experience to boys who have had limited opportunities. 12 Orwell Awards are awarded annually.

The total amount spent on scholarship and bursaries during the year was £7,081k (2019/20: £7,157k) which includes £111k (2019/20: £751k) for discretionary awards given in the Lent term to parents who found themselves in financial difficulty as a result of the pandemic.

The remaining bursary expenditure of £6,970k was higher than the previous year of £6,406k. Over and above the Covid-related discretionary awards, 261 boys (19%) received fee reductions; 90 of these boys paid no fees at all; 67 received a 10% scholarship related fee reduction only. The equivalent figures for the previous year were 249, 85 and 67. The average award was 68% (2020: 67%) of the fee. This increases to 87% (2020: 89%) of the full fee if boys who receive only 10% fee remission for academic or musical merit are excluded from the calculation.

Self-study support for state schools

During 2020/21, we continued to provide free self-study future skills online courses for every state school student in the UK. 195,000 activation codes for online courses were issued to students from 466 schools across the state sector. The three most popular courses over the past year were Resilience, Job Interview Skills and Critical Thinking. The Achievement Leader at one school said:

"Eton's offer of courses, particularly on topics such as resilience, research skills and interview skills really did strike a chord with us. We have struggled for many years to try and inject greater resilience, self-belief, academic discipline and rigour into our students and looking at the content of the courses that were available, they really did strike a chord with us. The year group who were given the support during lockdown, we've noticed that a greater number of them are preparing applications to more competitive universities, including three to Oxbridge ... and I think it's no accident that they have the support online from the EtonX process, so we're really pleased about that."

Cross-sector links to benefit all children

The College's wider educational contribution is recorded on the Schools Together website. Particular highlights from the 2020/21 academic year are set out below:

- Eton is the sole educational sponsor of **Holyport College** and plays a significant role in its governance providing 4 governors, the first boarding school established under the Government's free schools' scheme. Holyport College opened in September 2014. The school's fifth set of GCSE results (teacher assessed grades in summer 2021) was exceptionally strong, with 94% of all grades being Level 4 or higher and the standard pass rate in English and Maths being 92%. Eton has supported the Sixth Form at Holyport, which opened in September 2018, through professional support and mentoring, support with university preparation and interview guidance. We were delighted that nearly 90% of Holyport students in this third cohort achieved places at university, with over 60% securing places at Russell Group institutions, including four Oxbridge places.

Eton and Holyport work together very closely within a framework that encourages innovation and partnership. Both schools follow a partnership development plan which seeks to set out a process for continuous evaluation and improvement, especially as regards its reciprocal elements. In addition to secondment of staff and sharing

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

of facilities, the partnership has included meaningful collaboration between academic departments, and students attending a broad range of joint society meetings, whilst the full Eton Societies programme is now open to all Holyport students. Year 12 Eton boys act as mentors to Holyport pupils, and the development of a joint Combined Cadet Force has been a significant success. Facilities, especially the Dorney rowing lake and the playing fields, are shared between both schools. Financial donations made to Holyport during the year totalled £7.3k (2019/20: £18.5k), mostly to support partnership activities. Both partners aspire to make this partnership the Gold Standard in cross-sector partnership working nationally, and to be proactive in sharing lessons learned with the rest of the sector. The College does not consolidate Holyport into its results as it does not have control for the benefit of the College.

- Eton continued its partnership with **London Academy of Excellence ('LAE')**, a selective free school for sixth formers in Stratford, East London, which opened in September 2012. Eton sponsors its English Department by providing one master on part time secondment and plays a significant role in its governance, providing a governor and two committee members. The academic results were strong again with 27 students getting into Oxbridge, 34 into Medicine, Dentistry and Veterinary Medicine related courses and 165 students going to Russell Group universities. 42% of A-Level grades were at A*. 97% of A-Level grades were A*/B. Eton provides £50k annually to the LAE to support its work. Eton and LAE have collaborated this year on establishing the Eton/LAE Leadership Institute (ELLI) which will create a set of shareable resources over the course of the next year. Over 50 students participated in a virtual version of the Eton and LAE Exchange in November 2020.
- The **Thames Valley Learning Partnership (TVLP)**, launched in September 2019 and based at Eton, has developed a strong programme of activity, bringing staff and students from eight schools together to mutual benefit. Our collaborative and informative student experiences span a range of subjects, as do our staff networks which are used to share information, resources and best practice, and to guide future events. A TVLP Events Programme is produced each year, with activities including a Student Leadership Conference, a Great Berkshire Bake Off competition, a Water Sports Festival, and numerous speaker events. During the first Covid lockdown, we also developed a YouTube channel to ensure educational and inspirational talks and information could be publicly shared. A TVLP end of year video, and Annual Report for the year ending in August 2021, are both available to view on the TVLP website: <https://tvlp.org.uk/2020-2021>.
- Eton's engagement with the **Slough and East Berkshire Church of England Multi Academy Trust (SEBMAT)** has been established to form a group of schools who can support each other to ensure the best possible outcomes for young people in Slough and nearby areas. The Deputy Head (Partnerships) serves as a Member of the Trust and the Director of Local Partnerships as a Director. In addition, seven Eton Masters are on governing boards of four of the SEBMAT schools, with two serving as either chair or co-chair of governors. In addition, a further eighteen members of staff are on the governing boards of state schools in a variety of roles.
- In July 2021 Eton ran the first **Eton Connect Summer School**, a free five-day residential summer school for local Year 10 students hosted at Eton College. Working alongside EtonX, the summer school ran a 'Skills for Success' course to enrich and develop resilience and social skills. Local and partnership schools were asked to nominate four students each to attend the summer school, focusing particularly on students who might have had a challenging time over the previous 12 months and who might benefit from the independence and aspiration implicit in spending a week in a boarding school.
- In July 2021 two non-residential **Rowing Instructional Courses** took place at Dorney Lake. With experienced coaches, the courses were tailored to cater for both inexperienced and advanced rowers. 30 free places were provided for local schools.
- **The Dorney Lake Schools Rowing Programme** works with over 10 different state schools providing enrichment rowing sessions, GCSE practical delivery and assessment. In the summer term over 250 local school children per week made use of this offering.

Eton College

Report of the Provost and Fellows

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- For the last five years the College has coordinated **Mock Oxbridge interviews for local and partner schools**. In 2020/21, online interviews were given to 122 students from 10 different schools, applying for 34 different degree courses at either Oxford or Cambridge. These subject-specific interviews were held by Eton Masters, Eton College Alumni and partner school staff.
- We offer use of our **AstroTurf pitches** to Slough and Eton CE School and to charities nominated by Slough Borough Council without charge, with 21 hours a week available for free use by educational charities and schools.

Further details of the College's public benefit activity in 2020/21 and beyond can be found on the College's website www.etoncollege.com and Schools Together www.schoolstogether.org.

Engagement and research

The Tony Little Research Centre (CIRL) regularly makes its facilities available to staff and students from other schools. Particular highlights in the year included:

- Production of a second free Online Professional Development Course, offered via Eton, on 'Character Education in the Classroom'.
- Hosting four webinars per term presented by a series of distinguished speakers. This year subjects have included teacher development, successful implementation of project-based learning, why literacy is our key priority, leadership and self-leadership, managing stress, evidence-based practical strategies for the classroom, impact of technology and AI on Millennials, AI in education, implications for teachers of research into psychology, wellbeing and transforming school culture through lesson observation. The Researcher-in-Residence also created a series of podcast recordings with speakers from the CIRL & Education Society's Colloquia series.
- A successful Teaching and Learning Summit conference attended by 100 teachers.
- Publishing research on developing resilience which involved 10 state and independent schools, overseen by CIRL. A report was published which outlines the school's approach to developing resilience.

Community Engagement and Social Action

This year, we navigated lockdowns and social distancing through a mix of in-person and online volunteering. Boys' community work included activities supervised by staff and individual projects.

Activities organised by the College included online mentoring for a range of subjects to local schools, administrative support for local organisations and collaborations with an educational charity in Ghana, including resources on public speaking.

There was also a range of initiatives organised by boys. These included weekly online debating workshops for students from local schools, a Santa Fun Run to raise money for the charity Alzheimer's Dementia Support, and various other fundraisers such as a Cycling Challenge and sale of charity Christmas cards.

Eton Action is a charity founded for Eton boys with the aim of raising funds for other charities. This year, the boys raised significant funds for five key charities (Glassdoor, Schoolreaders, Ace Africa, The Felix Project and The Teenage Cancer Trust), engaged in a wide variety of volunteering projects for the individual charities and led many society meetings dedicated to thinking about effective social action through the selected charities.

Eton College

Report of the Provost and Fellows

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The College Collections

The College Collections are of national importance. In 2020/21 the College has continued the outreach and engagement programme undertaken to bring these Collections to wider audiences. The dedicated team ensure that access is granted to the general public. The Natural History Museum, Museum of Eton Life, Verey Gallery and the Eton Museum of Antiquities reopened to the general public in July and are now open on Sunday afternoons.

In addition to services available for researchers, access was also provided online via educational programmes for children from local schools and further afield, as well as family learning and workshop events. Standalone digital resources were created for primary schools by the Education Officer and a group of Eton boys as part of the College's Community Engagement Programme. Students were also able to interact in real time through live video sessions, during which 52 live video sessions were delivered to over 1,300 primary school children. Overall, 37,000 users engaged with our digital content, including live online events, family learning workshops, virtual exhibitions, a trail, a new virtual reading room, the blog, the online catalogue and the website (collections.etoncollege.com), which includes resources for schools as well as other digital resources for use by researchers and the general public.

ACHIEVEMENTS AND PERFORMANCE

Academic performance

Eton has continued to deliver a very high standard of education, adjusting to a virtual learning environment ('Eton Virtual') for most of the Lent term. Results in the 2020/21 academic year were awarded by teacher assessment grades (TAGs) with the option to sit the exam in October and November 2021 for pupils who were not satisfied with the grade awarded. The results summarised below are stated after any adjustments for A level exams taken. Any adjustments to the GCSE results will not be available until 24 February 2021. A total of 18 GCSE exams were sat.

GCSE results		A Level results		Pre-U results	
9-7	96.8%	A*-A	86.1%	D1 (above A*)	48.2%
9-6	99.1%	A*-B	96.6%	D2 (A*)	76.6%
9-5	99.9%	A - C	98.8%	D3 (A)	95.9%

Eton's view of education encompasses much more than just intellectual achievement, important though this is. A strong, broad and extensive curriculum, including a vast range of co-curricular activities, enables the boys to discover and develop their strengths wherever they lie, whether in academic, aesthetic, technical or sporting pursuits.

Fund raising performance

The College has an in-house fundraising team to run a programme with a view to providing bursaries, raising money towards the Eton Partnerships project, developing the school's facilities and maintaining the College's heritage properties. Income generated from donations was £5.6m (2020: £17.1m). During lockdown in the Lent term we reduced the fee by 20%, giving parents that were able to afford to do so the option to pay full fees and contribute towards a hardship fund for other parents who found themselves in financial difficulty as a result of the pandemic and lockdown, as we had done in the previous year. Once again, we were overwhelmed by the generosity of parents and are pleased to report that the total value of the fund covered all of the requests for additional help.

The College does not use any external agents for fundraising activities. All fundraising activities are managed by the Fundraising Department overseen by the Provost and Fellows. The College is registered with the Fundraising Regulator and has signed up to the Fundraising Code, paid the fundraising levy and trained staff to comply with the code. No complaints have been raised in the year. The College is mindful of privacy issues and has a Customer Relationship Management System in order to manage the areas of charitable activity about which our contacts wish to be informed.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Investment policy and performance

The Eton College Common Investment Fund (EC CIF) was established in July 2006 and is the pooling scheme through which the College's various funds (the endowed funds, restricted funds, designated funds and some pension funds) are invested.

Pursuant to the Total Return Order dated 27 July 2008, the College has adopted a total return approach for the investment of its permanently endowed funds. Under the Total Return Order, the College can invest those funds without regard to whether the investment return is in the form of capital appreciation or income and with discretion to apply any part of the total investment return as income for spending each year. Until this power is exercised, the investment return forms a component of the endowed fund known as the "unapplied total return". The Provost and Fellows have decided that it is in the best interests of the College to account for all its invested funds (both permanent and expendable endowments) in the same way.

The return, in terms of both income receivable and capital appreciation and depreciation, whether realised or unrealised, is credited or charged to the funds.

The endowment has been built up over many years through the significant generosity of many Old Etonians and their families along with the strong investment performance. Increasingly the parents of boys currently and recently at the school who themselves had no previous connection with Eton have made major contributions. The endowment is fundamental to the long-term future of the school, providing funds for Eton's substantial and growing bursary programme, Eton Partnerships programme and capital expenditure on both existing and new buildings infrastructure such as the new sports facilities.

The Investment Committee is mandated by the Provost and Fellows to oversee the management of the endowment in line with strategic and tactical guidelines which are reviewed regularly by the Investment Committee and its adviser, Partners Capital LLP. The Investment Property Committee is an offshoot of the Investment Committee and oversees the College's investments in property only. The Property Portfolio is managed by Clearbell Capital LLP.

The securities portfolio is diversified across a range of different asset classes and geographies and managed within the guidelines referred to above. The property portfolio is UK based and structured with an emphasis on diversity across property type.

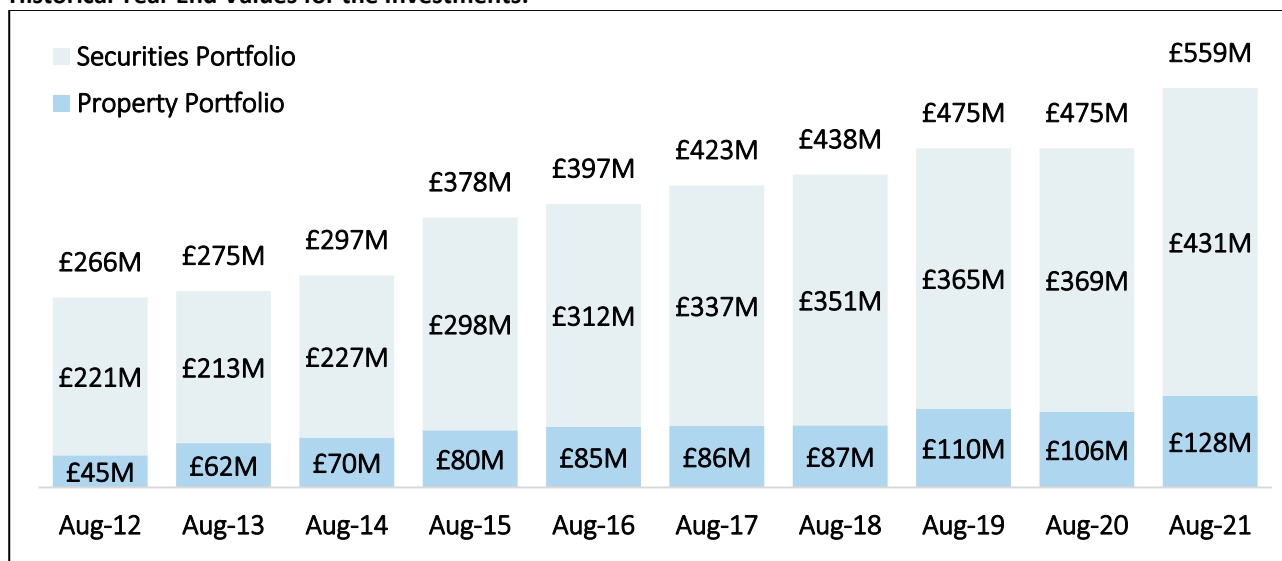
The value of the investments was £559m on 31 August 2021. This comprised £431m in the securities portfolio and £128m in directly-held property. This is an increase of £318m over the past decade, of which £258m was attributable not only to underlying performance. The remaining £60m came from two private placements of bonds – one for £45m with a 45-year term issued in 2015 and one for £15m (part of total £25m) with a 45-year term issued in 2019. The Investment Committee, supported by the Provost and Fellows, believes that the additional funds will earn returns in excess of the cost of borrowing, enhancing Eton's capacity to provide bursaries and support the capital expenditure programme.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Historical Year End Values for the Investments:



Securities Portfolio

The investment approach deployed by the Investment Committee working in conjunction with the securities portfolio advisor, Partners Capital LLP, has seen the securities portfolio return +13.6% p.a. over the last 5 years and +11.5% p.a. over the last 10 years. This performance has far exceeded the target growth rate of the UK Consumer Price Index + 4.5% p.a. The securities portfolio has also outperformed global equities over the 5-year period and slightly underperformed it over the 10-year period, despite having only 75% of the risk of global equities.

History of Growth of Securities Portfolio:

Year ending 31-Aug	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	5-Year Annual Growth Rate	10-Year Annual Growth Rate
Eton Securities Portfolio	4.00%	10.10%	13.10%	12.50%	7.40%	15.00%	9.50%	8.90%	6.90%	28.90%	13.60%	11.50%
Eton benchmark (1)	6.70%	11.00%	11.30%	1.50%	16.90%	12.40%	8.30%	8.40%	4.70%	19.20%	10.50%	9.90%
UK CPI + 4.5%	7.10%	7.30%	6.10%	4.60%	5.10%	7.50%	7.20%	6.30%	4.70%	7.90%	6.70%	6.40%
Global Equities (2)	8.90%	18.60%	12.70%	1.20%	25.90%	19.00%	10.40%	6.40%	6.00%	25.20%	13.20%	13.10%

¹ A composite of market benchmarks which reflect the strategic asset allocation.

² Represented by the MSCI All Country World Index Net Return GBP.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Property Portfolio

The Property Portfolio has been managed by Clearbell Capital LLP since March 2018. The strategy since then has been to diversify and consolidate the investment portfolio into larger assets in the industrial and office sector whilst retaining a smaller exposure to retail and residential to improve the sector and geographical diversification of the portfolio. Despite Covid, this year has shown the benefits of this diversification with the value of the portfolio increasing 13% on a like for like basis and 20%, including the year's acquisitions. The portfolio was valued at £128.5m at 31 August 2021. Covid has resulted in a number of businesses failing or struggling to pay rent but rent collection of 93% demonstrates the resilience of the portfolio and the benefit of supporting tenants during the pandemic. With increasing occupational activity across the key sectors, the structural vacancy within the portfolio is expected to be taken up in the coming year and drive continued performance

FINANCIAL REVIEW

Impact of Covid

The College was physically closed for most of the Lent term and operated on a virtual basis. Consequently, the Lent fee was reduced by 20%. This resulted in a reduction in school fees income of £3.8m and a corresponding reduction in bursary spend of £440k. As in the previous financial year, the Provost and Fellows did not take advantage of the Government's Furlough Scheme. Exceptional costs incurred in 2020/21 around making the school Covid safe totalled £670k (2019/20: £290k).

Summary of results

- The College's consolidated net expenditure for the year ended 31 August 2021 was £1.4m (2020: £5.4m)
- School fee income increased by 6.6% from £49.9m to £53.2m. Fees were reduced by 20% in the Lent term and by one third in Summer term of the previous year.
- The funding of scholarships and bursaries (fee remission) decreased by 1.4% from £7.2m to £7.1m.
- Donations to the College were £5.6m, compared to £17.1m in the previous year (which included £3.5m of donations accrued in respect of in future years). The College is very grateful for the continued generosity of its donors.
- Investment income was £28.1m compared to £12.7m in the previous year. The College operates its investment portfolio on a total return basis, so investment income can vary greatly year on year and is difficult to predict. It has no bearing on the operational cashflow of the College. The cash available to the College for spending from the endowment is calculated in accordance with the College's self-imposed internal spending rules. The cash amount available to drawdown for expenditure in any one year is calculated as 3.5% of the average of the last five years' year-end valuations of investments.
- Total charitable expenditure rose by 3.2% from £72.0m to £74.3m. The bulk of this comprises the costs of running the College; 57% of these costs are employment costs.
- The College will always have to spend significant amounts of money on maintaining its buildings including its many listed buildings, some of which are of national importance. In doing this the College receives no financial support from local or central Government. In 2020/21 the College has spent £7.9m on maintenance of its buildings.
- Trading income is mostly made up of the aggregation of the turnover of the College's subsidiaries. Income remained at £1.1m. Please refer to note 4 for more detail relating to the trading subsidiaries of the College.
- Investment gain of £91.6m (2020: £14.1m) consists of £23.5m realised profit in the securities portfolio and £0.1m realised profit in the property portfolio, unrealised profit in the securities portfolio of £58.8m and the property portfolio of £9.2m.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

Reserves Policy

The College needs to have sufficient unrestricted reserves to enable it to meet its charitable objectives in the event of an unexpected revenue shortfall. The College is fortunate to have significant endowed funds and has regard to the need to build up unrestricted reserves out of any annual operating surpluses, investment returns and fund-raising to a level which is considered adequate to meet the future needs of the College and allow further capital expenditure and major refurbishment to equip the College with the facilities needed to maintain the high standard of education currently provided. The charitable funds of the College and its subsidiaries are accounted for as restricted or unrestricted funds.

At 31 August 2021, the College's Consolidated Reserves were £542.4m (2020: £453.2m). This comprised £383.2m (2020: £321.0m) restricted funds and £159.3m (2020: £132.2m) unrestricted funds.

Restricted funds are made up of Endowed Funds of £371.2m (2020: £305.8m) and Income funds of £12.0m (2020: £15.2m).

Endowed funds are capital funds with a restricted purpose and are sub-divided into permanent and expendable endowed funds depending upon the terms of the relevant fund's governing document. Permanent Endowed Funds are capital funds where the original capital value is to be preserved permanently for the College's financial benefit. The College has a Total Return Order (dated 27 July 2008) which stipulates that any investment returns will accrue as a capital supplement (the Unapplied Total Return) to the permanently endowed capital. Any part of the Unapplied Total Return can be converted into income for allocation against spending at the discretion of the Provost and Fellows and will be transferred to the appropriate Restricted Income Fund. Expendable Endowed Funds are accounted for similarly, except that all capital can be converted into income for spending either in accordance with any restrictions imposed by the fund's governing document or, where there are no such restrictions, at the College's own discretion.

The Income Funds corresponding to each of the Endowed Funds represent the amount of income available for allocation against spending on those restricted purposes in accordance with the College's own internal spending rule. The other Restricted Income Funds, which comprise around 100 separate funds, are to be used in accordance with the wishes of the donor. Examples of such purposes are Bursaries, College Collections, Student Enrichment, Teaching and Research. We have robust financial controls to ensure that all restricted income funds are spent in line with the donors' wishes. The Restricted Income Funds are fully expendable and wherever possible College expenditure is charged to a restricted fund in precedence to being charged against the General Fund.

Unrestricted Funds comprise £159.0m (2020:£129.9m) Designated Funds and £0.3m (£2020:£2.3k) General Fund. These funds are available for use at the discretion of the College in furtherance of its objects.

Designated Funds are funds which have been set aside by the College for specific purposes.

The General Fund is unrestricted and represents the accumulated net income from the College's activities and other sources for the general purpose of the College. Further details relating to the funds can be found in note 13.

Pension Liabilities

The College has recognised on its balance sheet a pension liability of £36.9m in respect of the 1972 Defined Benefit Scheme (2020: £35.9m). The pension liability is calculated at a point in time even though it will not crystallise for many years. Details of the pension scheme can be found in note 16 to the Financial Statements. The latest tri-annual actuarial pension valuation was completed as at August 2019. The results showed a deficit of £7.1m, corresponding to a funding level of 85%. To eliminate this the College made an additional contribution of £1.2m to the scheme in the year and will continue to do so until 2026. On 1 September 2021, the employer's contribution level increased from 18.8% to 22.0%.

Charity Code of Conduct

The Provost and Fellows initially undertook a self-assessment of their governance in 2018 by specific reference to the principles of the Charity Governance Code. A further review will take place in 2022.

Eton College

Report of the Provost and Fellows

For the year ended 31 August 2021

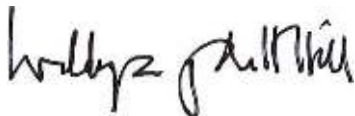
PROVOST AND FELLOWS' RESPONSIBILITIES STATEMENT

The Provost and Fellows are responsible for preparing the Report of the Provost and Fellows and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Provost and Fellows to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and application of resources of the charity for that period. In preparing these Financial Statements, the Provost and Fellows are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Provost and Fellows are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the Financial Statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Statutes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



The Lord Waldegrave of North Hill
Provost
5 February 2022

Eton College

Independent Auditor's Report to the Provost and Fellows of Eton College

Opinion

We have audited the Financial Statements of Eton College for the year ended 31 August 2021 which the Consolidated and College Statement of Financial Activities, the Consolidated and College Balance Sheet, the Consolidated Cash Flow and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and the of the parent charity's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Provost and Fellows are responsible for the other information contained within the Annual Report. The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion: adequate and proper accounting records have not been kept or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of Provost and Fellows

As explained more fully in the Provost and Fellows responsibilities statement, the Provost and Fellows are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Provost and Fellows are responsible for assessing the group's and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Provost and Fellows either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the Financial Statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and the parent charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were the Charities Act 2011, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which might be fundamental to the group's and the parent charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and the parent charity for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Independent Auditor's Report to the Provost and Fellows of Eton College

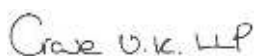
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Provost and Fellows and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the Financial Statements from irregularities, including fraud, to be within the timing of recognition of non-fee income, capital and major works expenditure, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on non-fee income, capital and major works expenditure and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and any other regulators where applicable, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

London

10 March 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Eton College

Statement of Financial Activities – Consolidated For the year ended 31 August 2021

	Note	Unrestricted Funds		Restricted Funds		Total 2021 £'000	Total 2020 £'000
		General Funds £'000	Designated Funds £'000	Restricted income funds £'000	Endowed funds £'000		
INCOME FROM							
Charitable activities							
School fees		53,223	-	-	-	53,223	49,853
Scholarships and bursaries		-	(751)	(6,330)	-	(7,081)	(7,157)
Discount on pre-paid fees	9	(74)	-	-	-	(74)	(132)
Net school fees		53,149	(751)	(6,330)	-	46,068	42,564
Other income	2	4,004	-	68	-	4,072	4,466
Donations	2	282	-	2,797	2,565	5,644	17,143
Investment income	3	1,169	6,942	6	19,957	28,074	12,690
Trading income	4	1,093	-	-	-	1,093	1,116
Total income		59,697	6,191	(3,459)	22,522	84,951	77,979
EXPENDITURE ON							
Charitable activities	5	(60,227)	(1,064)	(12,974)	-	(74,265)	(72,027)
Raising and managing funds	5	(4,971)	(3,357)	-	(3,800)	(12,128)	(11,394)
Total expenditure		(65,198)	(4,421)	(12,974)	(3,800)	(86,393)	(83,421)
Net (expenditure) /income before investment gains and transfers		(5,501)	1,770	(16,433)	18,722	(1,442)	(5,442)
Net investment gain		3,653	22,672	-	65,313	91,638	14,084
Transfers between funds	13a	918	4,565	13,176	(18,659)	-	-
NET INCOME/ (EXPENDITURE)		(930)	29,007	(3,257)	65,376	90,196	8,642
Pension scheme actuarial (loss)/gain	16/17	(994)	-	-	-	(994)	389
NET MOVEMENT IN FUNDS		(1,924)	29,007	(3,257)	65,376	89,202	9,031
Funds brought forward		2,260	129,931	15,228	305,785	453,204	444,173
FUNDS CARRIED FORWARD	13a	336	158,938	11,971	371,161	542,406	453,204

The notes on pages 26 to 53 form part of these Financial Statements.

Eton College
Statement of Financial Activities – Eton College
For the year ended 31 August 2021

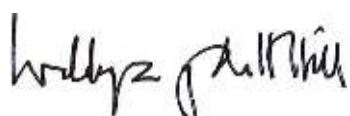
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INCOME FROM							
Charitable activities							
School fees		53,223	-	-	-	53,223	49,853
Scholarships and bursaries		-	(751)	(6,330)	-	(7,081)	(7,157)
Discount on pre-paid fees	9	(74)	-	-	-	(74)	(132)
Net school fees		53,149	(751)	(6,330)	-	46,068	42,564
Other income	2	4,004	-	68	-	4,072	4,466
Donations	2	282	-	2,797	2,565	5,644	17,143
Investment income	3	1,169	6,942	6	19,967	28,074	12,690
Trading income	4	96	-	-	-	96	111
Total income		58,700	6,191	(3,459)	22,522	83,954	76,974
EXPENDITURE ON							
Charitable expenditure		(60,333)	(1,064)	(12,974)	-	(74,371)	(72,409)
Raising and managing funds		(4,064)	(3,357)	-	(3,800)	(11,221)	(9,924)
Total expenditure		(64,397)	(4,421)	(12,974)	(3,800)	(85,592)	(82,333)
Net (expenditure)/ income before investment gain and transfers		(5,697)	1,770	(16,433)	18,722	(1,638)	(5,359)
Net Investment gain		3,653	22,672	-	65,313	91,638	14,084
Transfers between funds	13a	918	4,565	13,176	(18,659)	-	-
NET INCOME/ (EXPENDITURE)		(1,126)	29,007	(3,257)	65,376	89,883	8,725
Pension scheme actuarial (loss)/ gain	16/17	(994)	-	-	-	(994)	389
NET MOVEMENT IN FUNDS		(2,120)	29,007	(3,257)	65,376	88,889	9,114
Funds brought forward		2,177	129,931	15,228	305,785	453,121	444,007
FUNDS CARRIED FORWARD	13a	57	158,938	11,971	371,161	542,127	453,121

The notes on pages 26 to 53 form part of these Financial Statements.

Eton College
Consolidated and Eton College Balance Sheets
As at 31 August 2021

	Note	Consolidated		Eton College	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
FIXED ASSETS					
Tangible fixed assets	7	124,448	102,724	124,368	102,629
Investments – properties	8	128,456	106,738	128,456	106,738
- securities	8	430,665	368,790	430,665	368,790
		683,569	578,252	683,489	578,157
CURRENT ASSETS					
Stocks		124	147	124	134
Debtors	10	21,051	22,885	21,165	23,121
Cash and deposits		28,589	41,038	28,050	40,417
		49,764	64,070	49,339	63,672
CURRENT LIABILITIES					
Creditors: due within one year	11	(33,447)	(31,246)	(33,221)	(30,836)
NET CURRENT ASSETS		16,317	32,824	16,118	32,836
TOTAL ASSETS LESS CURRENT LIABILITIES		699,886	611,076	669,607	610,993
LONG-TERM LIABILITIES					
Creditors: due after more than one year	12	(117,161)	(118,326)	(117,161)	(118,326)
Defined benefit pension liabilities	16	(36,858)	(35,887)	(36,858)	(35,887)
Other retirement provisions	17	(3,461)	(3,659)	(3,461)	(3,659)
NET ASSETS		542,406	453,204	542,127	453,121
REPRESENTED BY:					
RESTRICTED FUNDS					
Endowed	13	371,161	305,785	371,161	305,785
Income	13	11,971	15,228	11,971	15,228
UNRESTRICTED FUNDS					
Designated	13	158,938	129,931	158,938	129,931
General	13	336	2,260	57	2,177
TOTAL UNRESTRICTED FUNDS		159,274	132,191	158,995	132,108
TOTAL FUNDS		542,406	453,204	542,127	453,121

The Financial Statements set out on pages 22 to 53 were approved and authorised for issue by the Provost and Fellows on 5 February 2022 and signed on their behalf by:



The Lord Waldegrave of North Hill
Provost



Janet Walker
Bursar

Eton College

The notes on pages 26 to 53 form part of these Financial Statements.

Consolidated Cash Flow Statement For the year ended 31 August 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net expenditure before investment gains		(1,442)		(5,442)
Elimination of non-operating cashflows:				
Investment income	(28,074)		(12,690)	
Investment Managers' Fees	1,371		1,676	
Interest on Long Term loan	3,343		3,252	
Endowment donations	(2,445)		(1,365)	
Depreciation	3,032		3,029	
Net gain/ (loss) on disposal of fixed assets	4		(38)	
Decrease in stock	23		12	
Decrease /(Increase) in debtors	1,834		(5,277)	
Increase in creditors	2,428		2,694	
(Decrease) in prepaid fees	(1,392)		(1,354)	
FRS 102 pension movements	(221)		(24)	
		(20,097)		(10,085)
Net cash outflow from operations		(21,539)		(15,527)
Cash flows from investing activities				
Payments for tangible fixed assets	(22,921)		(12,894)	
Proceeds on sale of tangible fixed assets	1,009		2,475	
Withdrawal from the securities portfolio	43,872		17,985	
Income from property portfolio	3,254		3,473	
Proceeds from sale of commercial properties	5,818		2,738	
Payments for commercial properties	(21,044)		(7,235)	
Net cash inflow provided by investing activities		9,988		6,452
Cash flows from financing activities				
New endowment	2,445		1,365	
Interest payable on loan note	(3,343)		(3,252)	
Private Placement Proceeds	-		20,000	
Net cash provided by financing activities		(898)		18,113
CHANGE IN CASH IN THE YEAR		(12,449)		9,128
CASH AT 31 AUGUST 2020		41,038		31,910
CASH AT 31 AUGUST 2021		28,589		41,038

The notes on pages 26 to 53 form part of these Financial Statements.

Eton College

Notes to the Financial Statements

For the year ended 31 August 2021

1 ACCOUNTING POLICIES

Charity information

Eton College was founded as a corporation in 1440 by Royal Charter of King Henry VI, confirmed by later Acts of Parliament and by the Statutes approved by HM The Queen in Council, most recently in 2020. The College is registered as a charity in England and Wales (1139086). The principal address is Eton, Windsor, Berkshire, SL4 6DW.

Basis of Preparation

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011. The College meets with FRS102 definition of a Public Benefit Entity.

The Financial Statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Financial Statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments to market value.

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Provost and Fellows have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the College's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements as outlined in the Statement of Responsibilities on page 18.

The functional currency of the College is considered to be pounds sterling because that is the currency of the primary economic environment in which the school operates.

Cash Flow

The College has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement, on the basis that it is a qualifying entity and the Consolidated Cash Flow Statement included in these Financial Statements includes the cash flows of the College.

Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of Eton College ("the College") and its wholly owned subsidiary companies. The Consolidated Financial Statements consolidate the accounts of the group entities made up to 31 August 2021. The turnover and expenditure of trading subsidiaries and of the related charitable undertaking are shown separately within the Consolidated Statement of Financial Activities. Their assets and liabilities are consolidated on a line-by-line basis in the Consolidated Balance Sheet.

The College's dormant subsidiaries, listed in note 4, have not been consolidated on the basis of immateriality. Intra group sales and charges between the College and its subsidiaries are excluded from consolidated trading income and expenditure.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

Income

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Scholarships and bursaries granted by the College in respect of those fees are deducted in the school term to which they relate.

Fees received in advance of education to be provided in future years under a pre-paid fees scheme contract are held as interest-earning liabilities and treated as deferred income until either taken to income in the school term when used or are otherwise refunded.

Donations are recognised as income on receipt of funds or when entitlement of receipt by the College is measurable and considered probable. Donations received for the general purposes of the College are credited to Unrestricted Funds. Donations subject to specific wishes of donors or for a particular purpose are credited to Restricted Income Funds, or to Endowed Funds where the capital is permanent.

Legacies are recognised as income on receipt of funds or when entitlement of receipt by the College is measurable and considered probable. Entitlement is taken to be the earlier date of the College being notified of an impending distribution following settlement of the estate or the legacy being received.

Investment income from securities and property is accounted for in the period in which it is receivable.

Trading income and other income is recognised in the period to which it relates.

Income received in respect of future accounting periods is carried forward as deferred income within creditors and is taken to income in the school term when used or is otherwise refunded. Where entitlement occurs before income is received, the income is accrued within debtors.

Expenditure

Expenditure in relation to the financial year under review is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged to the appropriate expenditure heading. Governance costs comprise the costs of complying with the constitutional and statutory requirements and are included in support costs in note 5.

Grants payable are accounted for in the period in which the commitment is made. Employee benefits paid on redundancy or termination include accrued amounts where Eton College is demonstrably committed to make these payments but they had not been made at 31 August 2021. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

Tangible fixed assets

School properties, acquired after 1 September 1962 have been capitalised and depreciated over an estimated useful life of 50 years. School properties which have been held for 50 years or more have not been capitalised as they are considered to have been fully depreciated.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Only assets costing £10,000 or more, or groups of assets forming part of a larger project costing over £10,000, are capitalised. This level is periodically reviewed, along with the need for a formal impairment review. Where properties held for investment purposes are transferred to fixed assets for school use, the cost to the school is recorded as the market value at the time of transfer. Freehold land is not valued on the balance sheet as the historical cost is immaterial.

Depreciation

Depreciation is provided on all tangible fixed assets, other than investment properties, heritage assets and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on current market prices, of each asset on a straight-line basis over its estimated useful life, as follows:

Freehold buildings	50 years
Plant, kitchen equipment, musical instruments, rowing boats	10 - 20 years
IT equipment	4 - 5 years
Vehicles	5 - 10 years

The costs of maintenance are charged in the Statement of Financial Activities in the period in which they are incurred.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

Heritage Assets

The College Collections comprising books and manuscripts, archives, paintings, silver and other objects of artistic or cultural merit, and the historic buildings within which they are housed are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation has been charged on the grounds that, for many of the assets, due to their unique nature, reliable historic cost information is not available and the Provost and Fellows consider that the depreciated historical cost of these assets is now immaterial. Additions to the Collections are not capitalised and the costs of repairs and maintenance are charged as incurred. Any improvements are similarly written off.

Investments

Investments are stated at market value as at the balance sheet date, and any gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities.

The market values of listed securities and pooled fund investments are stated at published prices. Unquoted securities are stated at investment manager's declared net asset values.

Property investments are valued using professional advice and on the basis of market value as defined in the RICS Appraisal and Valuation Manual ("The Red Book"). Independent valuations of relevant property investments have been carried out at 31 August 2020 and 31 August 2021.

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stocks are stated at the lower of cost and net realisable value. Where appropriate, provision is made for obsolete, slow-moving and defective stocks.

Debtors

Trade debtors, other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash

Cash and cash equivalents comprise cash in hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Creditors

Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except payroll and other taxes and provisions.

Total return investment accounting

Pursuant to a Total Return Order dated 27 July 2008, the College has adopted a total return approach for the investment of its permanently endowed funds with effect from 1 September 2007. Under the Total Return Order, the College can invest those funds without regard to whether the investment return is in the form of capital appreciation or income and with discretion to apply any part of the total investment return as income for spending each year. Until this power is exercised, the investment return forms a component of the endowed fund known as the "unapplied total return". The

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

Provost and Fellows have decided that it is in the best interests of the College to account for both the permanent and the expendable endowments invested in the Eton College Common Investment Fund ("EC CIF") in the same way.

The return, in terms of both income receivable and capital appreciation or depreciation, whether realised or unrealised, is credited or charged to the funds. The annual amount available for the College to drawdown as cash in any one year is determined by an internally self-imposed rule which currently permits the draw-down of 3.5% of the average of the last five years' year-end valuations of the investments. Additional unapplied total return is transferred to income for allocation against expenditure on an adhoc basis at the discretion of the Provost and Fellows.

The preserved permanent capital of the endowment funds has been taken as its carrying value as at 1 September 2007 together with the gift value of subsequent endowments.

Fund Accounting

The charitable funds of the College and its subsidiaries are accounted for as restricted or unrestricted funds.

Restricted funds are to be used in accordance with specific restrictions related to the fund at its inception or in its governing document. Restricted funds are divided between **Endowed Funds** and **Income Funds**. Endowed funds are capital funds with a restricted purpose and are further sub-divided into permanent and expendable endowed funds.

Permanent endowed funds are capital funds where the original capital value is to be preserved permanently for use by the College for its financial benefit (i.e. by investment). The Total Return Order stipulates that any investment returns will accrue as a capital supplement (the Unapplied Total Return) to the permanently endowed capital. Any part of the Unapplied Total Return converted into income for allocation against expenditure will be transferred to the appropriate Restricted Income Fund.

Expendable endowed funds are accounted for similarly, except that all capital can be converted into income for allocation against spending either in accordance with any restrictions imposed on the original endowment or, where there are no such restrictions, at the College's own discretion.

Restricted Income Funds corresponding to each of the Endowed Funds represent the amount of income available for allocation against spending in accordance with the College's internal spending rules.

Other Restricted Income Funds are funds held to be used in accordance with the wishes of the donor or for the specific purposes of the fund-raising campaign. These funds are fully expendable and any unused balances are carried forward from one year to the next.

Unrestricted funds are funds that are available for use at the discretion of the College in furtherance of its objects and are divided between Designated and General Funds. **Designated Funds** are unrestricted funds which have been set aside by the College for specific purposes. **General Funds** are funds available for the provision of working capital and reserves for the general administration of the College. Further details can be found in note 13.

Pensions costs

The College contributes to three pension schemes on behalf of its staff.

The Teachers' Pension Scheme contributions are made at rates set by the Government actuary and as advised by the scheme administrator. The scheme is a multi-employer defined benefit scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the College, and hence contributions are charged in the year they are incurred as if they were to a defined contribution scheme as required by FRS102.

The Eton College Employees (1972) Pension and Life Assurance Scheme is a defined benefit scheme for non-teaching staff. The scheme has been closed to new members since 2006. Employer's contributions are at rates advised by the scheme actuary and administrator and agreed by the Pension Trustees. The movement in the scheme's deficit is analysed within the Consolidated Statement of Financial Activities to show the current and past service cost and the interest cost as part of charitable expenditure.

The Eton College Group Personal Pension Plan is a defined contribution scheme for non-teaching staff joining after October 2006. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

All pension costs are charged against unrestricted funds in both the current and the preceding period.

Key judgements and assumptions

In the application of the accounting policies, the College has to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

As at 31 August 2021, the College had the following uncertain estimates and accounting judgements:

- Impairment of financial assets £238k (2020: £359k);
- Depreciation charge during the year of £3,032k (2020: £3,029k);
- Liability in relation to the defined benefit pension scheme and other retirement provisions. The assumptions used to calculate the liability are set out in notes 16 and 17.

2 OTHER INCOME AND DONATIONS

Other income:

	2021	2020
	£'000	£'000
Charges for extras including school trips	2,835	3,254
Registration and Acceptance Fees	841	769
Sales and Sundry income	401	409
(Loss)/ Profit on sale of fixed assets	(5)	34
	4,072	4,466

Donations:

The estimated value of legacies notified but neither received nor included in donations income is £2,375k (2020: £2,250k)

3 INVESTMENT INCOME

	2021	2020
	£'000	£'000
Securities investment income	24,820	9,217
Property investment income	3,197	3,196
Interest	57	277
	28,074	12,690

Eton College only figures do not differ from the consolidated results.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

4 SUBSIDIARIES

The College has three actives wholly owned non-charitable undertakings, all of which are incorporated in England and Wales, and are consolidated. These are:

Company Name	Registration Number	Activity
Eton College Services Limited	1213991	Provision of hospitality services
Rownmoss Limited	1185176	Property development
EtonX Limited	9624046	Online soft skills education

The registered address of all the above entities is Eton, Windsor, SL4 6DB.

During the year Eton College Services Limited made supplies to Eton College in respect of the provision of functions. The total of these supplies was £15k (2020: £108k). Eton College made supplies to Eton College Services Limited in respect of staff. These supplies do not pass through the Statement of Financial Activities.

During the year EtonX Limited made supplies to Eton College in respect of use of the online classroom. The total of this was £121k (2020:£nil)

The College now has four dormant wholly owned subsidiaries. The College's directly owned dormant subsidiaries are registered at Eton, Windsor, SL4 6DB.

Company Name	Registration Number	Parent
Eton College Trustees Limited	3316718	Eton College
Eton Riverside Management Limited	3900319	Eton College
The Second 58 Eton Avenue Limited	2998787	Eton College
Eton Online Ventures Limited	8415323	Eton College

During the year Eton Online Ventures Limited sold all of its share capital in EtonX Limited to Eton College for £30k and is now a dormant company.

	2021	2020
Net amount due to (owed by) Eton College from:	£'000	£'000
Eton College Services Limited	762	709
Rownsmoss Limited	529	548
EtonX Limited	(99)	4
Eton Online Ventures Limited	-	63

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

4 SUBSIDIARIES (continued)

Summary of subsidiaries' statutory accounts:

Profit and loss account	Eton College Services Limited £'000	Rowns moss Limited £'000	EtonX Limited £'000	Eton Online Ventures £'000	Total 2021 £'000	Total 2020 £'000
Turnover	489	23	621	30	1,163	1,136
Cost of sales	(649)	(28)	(12)	-	(689)	(1,135)
Gross (loss)/ profit	(160)	(5)	609	30	474	1
Expenses	(31)	(4)	(1,942)	-	(1,977)	(2,273)
Revaluation of stock/investments						(81)
Net profit/ (loss) before charges to the College	(191)	(9)	(1,333)	30	(1,503)	(2,352)
Retained in subsidiary company	(191)	(9)	(1,333)	30	(1,503)	(2,352)
Profit and loss account b/fwd	(626)	314	(6,315)	(5,784)	(12,410)	(10,058)
Retained loss as at 31 August c/fwd	(817)	305	(7,648)	(5,754)	(13,914)	(12,410)

Balance Sheet	Eton College Services Limited £'000	Rowns moss Limited £'000	EtonX Limited £000	Eton Online Ventures £'000	Total 2021 £'000	Total 2020 £'000
Tangible fixed assets	80	-	-	-	80	95
Investments	-	762	-	-	762	762
Current assets						
Stocks	-	-	-	-	-	13
Debtors	102	13	280	-	395	210
Cash at bank	240	133	166	-	539	619
Creditors	(839)	(603)	(194)	-	(1,636)	(1,755)
Net assets/ (liabilities)	(417)	305	252	-	140	(56)
Less: Share Capital	(400)	-	(7,900)	(5,754)	(14,054)	(12,354)
	(817)	305	(7,648)	(5,754)	(13,913)	(12,410)

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

4 SUBSIDIARIES (continued)

Reconciliation to Consolidated Statement of Financial Activities (SOFA)

	2021	2020
	£'000	£'000
Trading income		
Turnover and other income (per subsidiary statutory accounts)	1,163	1,136
Less: Inter-co trading income	(166)	(131)
Add: Trading income in Eton College	96	111
Trading income per consolidated SOFA	1,093	1,116
Trading expenditure		
Total expenditure (per subsidiary statutory accounts)	2,666	3,488
Less: Reclassification to Investment Gain/ Support Costs	(15)	(99)
Less: Intercompany provision against investments	-	(894)
Less: Inter-co trading expenditure	(15)	(131)
Total expenditure	2,636	2,364
Trading expenditure in Eton College	15	21
Trading Costs (note 5)	2,651	2,385

The investments in subsidiaries in Eton College's Balance Sheet relate to the investment made in EtonX Limited, Eton Online Ventures Limited and Eton College Services Limited. The total cost of the investment in Eton X Limited is £1,330k (2020: £nil), in Eton Online Ventures Limited, £5,755k (2020: £5755k) and £400k (2020: £nil) in Eton College Services Limited.

A provision of £7,485k (2020: £5,755k) has been made against these investments. The investments in the other subsidiaries do not appear in aggregate as they total only £226 (2020: £226).

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

5 ANALYSIS OF EXPENDITURE

	Staff £'000	Other £'000	Depreciation £'000	2021 £'000	2020 £'000
Charitable Activities:					
Teaching	21,791	4,326	418	26,535	26,286
Boarding and Welfare	8,348	3,636	98	12,082	12,260
Premises	5,541	15,397	199	21,137	19,339
Support	3,528	2,807	-	6,335	6,331
Depreciation on freehold buildings	-	-	2,282	2,282	2,236
FRS 102 pension interest charges	1,356	560	-	1,916	2,089
Other (see below)	1,983	1,975	20	3,978	3,486
Total	42,547	28,701	3,017	74,265	72,027
Raising and Managing Funds					
Fund-raising	530	270	-	800	664
Investment Management	80	5,254	-	5,334	5,092
Interest	-	3,343	-	3,343	3,253
Trading costs	1,079	1,557	15	2,651	2,385
Total	1,689	10,424	15	12,128	11,394
Total expenditure	44,236	39,125	3,032	86,393	83,421

Audit fees (net of VAT) comprise £37k (2020: £36k) for the audit of the College and £16k (2020: £15k) for the audit of the subsidiary undertakings. In addition, £23k (2020: £15k) was incurred in respect of non-audit services. All of these costs are included within support costs above.

Other: Expenditure is made up as follows:

	Staff costs £'000	Other £'000	Depreciation £'000	2021 £'000	2020 £'000
Partnerships	649	611	-	1,260	696
Summer Schools	170	207	-	377	330
Collections	544	305	1	850	849
Restricted funds expenditure	61	594	18	673	778
Collegiate	447	143	1	591	618
Donations	-	33	-	33	25
Chapels	112	82	-	194	190
Total other expenditure	1,983	1,975	20	3,978	3,486

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

6 STAFF COSTS

	2021	2020
	£'000	£'000
Staff costs		
Wages and salaries	34,613	34,014
Employer's National Insurance contributions	3,570	3,471
Employer's Pension contributions	4,697	4,615
Defined Benefit Service Costs:	1,356	1,423
	44,236	43,523
Aggregate Employee Benefits (including employer's national insurance contributions) of Key Management Personnel	809	774

The total amount relating to redundancy or termination payments during the year was £135,673 (2020: £270,080). £22,100 (2020: £147,715) of these payments were outstanding at the year end.

The average number of employees in the period, including those employed by Eton College Services Limited and EtonX Limited, was 1,055 (2020: 1,019).

The number of employees whose emoluments for the year exceeded £60,000 are shown in the table below (including taxable benefits in kind but excluding employer's pension costs and employer's national insurance contributions).

	2021	2020
£60,000 - £69,999	28	34
£70,000 - £79,999	34	35
£80,000 - £89,999	34	33
£90,000 - £99,999	27	26
£100,000 - £109,999	13	11
£110,000 - £119,999	14	18
£120,000 - £129,999	6	5
£130,000 - £139,999	3	6
£140,000 - £149,999	2	-
£150,000 - £159,999	1	1
£200,000 - £209,999	-	1
£220,000 - £229,999	-	1
£230,000 - £239,999	1	-
£240,000 - £249,999	1	1

Employer's pension contributions for the staff listed in the bandings amounted to £2,772k (2020: £2,886k). All except 3 (2020: 4) of the above employees participated in one of the College's pension schemes or the Teachers' Pension Scheme. Those who did not participate received compensating remuneration. The Provost and Vice-Provost are remunerated for their work as employees and are not remunerated as trustees. No other Fellows received any remuneration or other benefits from Eton College or any connected body. The total remuneration of the Provost was £132,577 (2020: £132,908). The total remuneration of the Vice-Provost amounted to £147,752 (2020: £131,092). Expenses, relating to travel and accommodation, amounting to £686 (2020: £903) were reimbursed to 2 (2020: 5) Fellows. There were no expenses owing to Fellows at 31 August 2021 (2020:£66).

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

7 TANGIBLE FIXED ASSETS

(i) Consolidated

	Freehold land and buildings £'000	Assets in construction £'000	Plant & Machinery £'000	Total £'000
Cost				
At 1 September 2020	120,014	15,166	10,008	145,188
Additions	2,848	22,422	499	25,769
Disposals	(925)	-	(597)	(1,522)
Transfers	-	-	-	-
At 31 August 2021	121,937	37,588	9,910	169,435
Accumulated depreciation				
At 1 September 2020	(35,145)	-	(7,319)	(42,464)
Disposals	18	-	491	509
Charge for the year	(2,282)	-	(750)	(3,032)
Transfers	-	-	-	-
At 31 August 2021	(37,409)	-	(7,578)	(44,987)
Net book value at 31 August 2021	84,528	37,588	2,332	124,448
Net book value at 31 August 2020	84,869	15,166	2,689	102,724

(ii) Eton College only

	Freehold land and buildings £'000	Assets in constructions £'000	Plant & machinery £'000	Total £'000
Cost				
At 1 September 2020	120,014	15,166	9,431	144,611
Additions	2,848	22,422	499	25,769
Disposals	(925)	-	(575)	(1,500)
Transfers	-	-	-	-
At 31 August 2021	121,937	37,588	9,355	165,880
Accumulated depreciation				
At 1 September 2020	(35,145)	-	(6,837)	(41,982)
Disposals	18	-	470	488
Charge for the year	(2,282)	-	(736)	(3,018)
Transfers	-	-	-	-
At 31 August 2021	(37,409)	-	(7,103)	(44,512)
Net book value at 31 August 2021	84,528	37,588	2,252	124,368
Net book value at 31 August 2020	84,869	15,166	2,594	102,629

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

Heritage Assets

Over the centuries, the College has acquired a considerable heritage of books and works of art and regards their preservation, conservation and use, together with the historic buildings in which they are housed, as fundamental to the enrichment of the education that the College provides. As a result of their age, and in many cases unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Provost and Fellows, the depreciated historical cost of these assets is now immaterial. These historic assets are insured through a fine arts policy.

The heritage assets include paintings, books, manuscripts, photographs, autograph letters, drawings and engravings, a collection of silver ware, a collection of natural history items and an antiquities collection. The policy is not to dispose of items from the Collections. Much importance is placed on professional management of the Collections and their conservation.

College expenditure on additions to the Collections is expensed in the Statement of Financial Activities in the year in which it was incurred. No heritage assets have been disposed of in any of the last 5 years.

Expenditure in the last 5 financial years:

2017	2018	2019	2020	2021
£'000	£'000	£'000	£'000	£'000
86	60	34	52	32

Donations to the College in those years have not been valued as they were not received for financial purposes.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

8 INVESTMENTS

(i) Consolidated

	Investment Properties £'000	Investment portfolio £'000	Consolidated 2021 Total £'000	Investment properties £'000	Investment portfolio £'000	Consolidated 2020 Total £'000
Market value						
Market value at 1 September	106,738	368,790	475,528	110,415	363,408	473,823
Acquisitions	21,951	121,045	142,996	7,235	170,929	178,164
Disposals	(9,448)	(117,971)	(127,419)	(8,262)	(153,311)	(161,573)
Unrealised gain/(loss) at 31 August	9,215	58,801	68,016	(2,650)	(12,236)	(14,886)
Market value at 31 August	128,456	430,665	559,121	106,738	368,790	475,528

Attribution to funds:

Restricted Endowed Funds	107,147	262,677	369,824	89,355	209,547	298,902
Restricted Income Funds	-	2,677	2,677	-	4,578	4,578
Designated Improvement & Maintenance Fund	-	41,243	41,243	-	33,110	33,110
Designated Bursary Fund	-	62,625	62,625	-	50,242	50,242
Designated P&F Fund	21,309	-	21,309	17,383	-	17,383
General Fund	-	61,443	61,443	-	71,313	71,313
Total investments split by fund	128,456	430,665	559,121	106,738	368,790	475,528

	Investment Properties £'000	Investment portfolio £'000	Consolidated 2021 Total £'000	Investment properties £'000	Investment portfolio £'000	Consolidated 2020 Total £'000
Cost						
Cost at 1 September	61,096	310,200	371,296	62,123	292,582	354,705
Acquisitions	21,951	121,045	142,996	7,235	170,929	178,164
Disposals	(9,448)	(117,971)	(127,419)	(8,262)	(153,311)	(161,573)
Cost at 31 August	73,599	313,274	386,873	61,096	310,200	371,296

(ii) Eton College only

Eton College only figures do not differ from the consolidated results.

The investment gains in the SOFA of £91,638k include net realised gains of £23,622k. The investment gain included in the note above relates only to the net unrealised losses that contribute to the investments held at the year end.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

9 PRE-PAID FEES SCHEME

Discounted liability for future fees

		2021	2020
	Note	£'000	£'000
After ten years		891	1,143
Within five to ten years		1,170	1,198
Within one to five years		5,100	5,985
Total due after one year	12	7,161	8,326
Total due within one year	11	3,439	3,666
Total liability		10,600	11,992

Summary of movements in liability

	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Balance at 1 September		11,992		13,346
New contracts		2,540		3,238
Amounts recognised in payment of fees:				
To the College	(3,767)		(4,317)	
To other schools	(239)		(407)	
		(4,006)		(4,724)
Discount allowed to parents		74		132
Balance at 31 August		10,600		11,992

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

10 DEBTORS

	Consolidated		Eton College	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	324	315	190	206
Fees and extras	15,930	15,429	15,930	15,429
Taxation	198	230	116	219
Other debtors	395	791	383	779
Prepayments and accrued income	4,075	5,993	4,029	5,938
Amounts due from subsidiary companies	-	-	388	423
Staff loans	129	127	129	127
	21,051	22,885	21,165	23,121

The figure for fees includes July 2021 advance invoicing of fees for the 2021/22 Michaelmas term. These fees were not due for payment until September 2021, and therefore the resultant deferred income is shown within the figure for fees received or invoiced in advance within creditors (note 11).

All debtors are due within one year except for accrued income of nil (£2020: £1,750) and staff loans of £90k (2020: £90k).

11 CREDITORS: amounts falling due within one year

	Note	Consolidated		Eton College	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors		4,093	3,168	3,974	3,026
Amounts due to group undertakings		-	-	99	-
Fees received or invoiced in advance		19,757	19,153	19,757	19,153
Taxation (VAT, PAYE and National Insurance)		974	925	947	887
Other creditors		257	848	205	798
Accruals and deferred income		4,927	3,486	4,800	3,306
Pre-paid fees scheme	9	3,439	3,666	3,439	3,666
		33,447	31,246	33,221	30,836

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

12 CREDITORS: amounts falling due after more than one year

	Note	Consolidated		Eton College	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed Term Private Placements		110,000	110,000	110,000	110,000
Pre-paid fees scheme	9	7,161	8,326	7,161	8,326
		117,161	118,326	117,161	118,326

The fixed term Private Placements are all unsecured and incur interest payable every six months. The College has three private placements:

- £45m is repayable in 2060 and has a fixed interest rate of 3.63%. This Private Placement has been used to leverage the securities portfolio.
- £25m is repayable in five equal amounts from 2059 and has a fixed interest rate of 2.61%. This Private Placement has been used partly to leverage the property portfolio and partly to meet operational needs of the College.
- £40m is repayable in ten equal amounts from 2049 and has a fixed interest rate of 2.64%. This Private Placement has been taken out to part fund the new sports facilities.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

13 a MOVEMENTS IN FUNDS - Current Year

	2020	Income	Bursaries and discounts	Net Income	Expenditure	Gains/ (Losses)	Total return transfers	Other transfers	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Endowed Funds									
Permanent									
Improvement Fund	179,506	11,508	-	11,508	(2,191)	37,721	(12,320)	-	214,224
Trusts	11,648	780	-	780	(126)	2,157	(308)	-	14,151
Head Master's Fund	23,557	1,817	-	1,817	(346)	5,933	(3,424)	-	27,537
Expendable									
Farrer	47,700	3,085	-	3,085	(587)	10,074	(1,454)	-	58,818
New Foundation	43,374	5,332	-	5,332	(550)	9,428	(1,285)	132	56,431
Total endowed funds	305,785	22,522	-	22,522	(3,800)	65,313	(18,791)	132	371,161
Restricted Income Funds									
Improvement Fund	-	-	-	-	(10,163)	-	10,163	-	-
Trusts	730	-	(85)	(85)	(166)	-	308	(2)	785
Head Master's Fund	1,154	-	(3,309)	(3,309)	(165)	-	3,424	(6)	1,098
Farrer	-	-	-	-	(1,454)	-	1,454	-	-
New Foundation	1,047	-	(1,114)	(1,114)	(424)	-	1,285	-	794
<i>From endowed funds</i>	<i>2,931</i>	<i>-</i>	<i>(4,508)</i>	<i>(4,508)</i>	<i>(12,372)</i>	<i>-</i>	<i>16,634</i>	<i>(8)</i>	<i>2,677</i>
Other Restricted Funds	12,297	2,871	(1,822)	1,049	(602)	-	-	(3,450)	9,294
Total income funds	15,228	2,871	(6,330)	(3,459)	(12,974)	-	16,634	(3,458)	11,971
Designated Funds									
Improvement & Maintenance Fund	33,110	2,256	-	2,256	(1,493)	7,370	-	-	41,243
Bursary Fund -Bursaries	5,241	3,624	(751)	2,873	(690)	10,201	-	-	17,625
Bursary Fund -Interest	-	-	-	-	(1,634)	1,634	-	-	-
P&F Designated	1,984	1,062	-	1,062	(202)	3,065	-	-	5,909
P&F Designated - Interest	-	-	-	-	(402)	402	-	-	-
Fixed Asset Reserve *	89,596	-	-	-	-	-	-	4,565	94,161
Total designated funds	129,931	6,942	(751)	6,191	(4,421)	22,672	-	4,565	158,938
General Fund	2,260	59,771	(74)	59,697	(65,198)	2,659	2,157	(1,239)	336
Total Funds - Consolidated SOFA	453,204	92,106	(7,155)	84,951	(86,393)	90,644	-	-	542,406
Less subsidiaries	6,758	(1,164)	-	(1,164)	2,666	-	-	-	8,260
Add inter – company	(6,841)	167	-	167	(1,865)	-	-	-	(8,539)
Total Funds – Eton College only	453,121	91,109	(7,155)	83,954	(85,592)	90,644	-	-	542,127

*The **Designated Fixed Asset Reserve** represents the net book value of the tangible fixed assets on the balance sheet less the amount of the £40m private placement invested to date in the new sports facilities. At 31 August £30.3m (2020:£13.1m) had been spent.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

13 b MOVEMENTS IN FUNDS - Prior Year

	2019	<i>Income</i>	<i>Bursaries and discounts</i>	Net	Expenditure	Gains/ (Losses)	Total return	Other transfers	2020
	£'000	£'000	£'000	Income	£'000	£'000	£'000	£'000	£'000
Restricted Endowed Funds									
<i>Permanent</i>									
Improvement Fund	183,385	5,020	-	5,020	(2,060)	5,188	(12,027)	-	179,506
Trusts	11,473	285	-	285	(117)	303	(296)	-	11,648
Head Master's Fund	25,401	793	-	793	(325)	841	(3,153)	-	23,557
<i>Expendable</i>									
Farrer	46,874	1,346	-	1,346	(552)	1,429	(1,397)	-	47,700
New Foundation	41,073	2,555	-	2,555	(488)	1,263	(1,191)	162	43,374
Total endowed funds	308,206	9,999	-	9,999	(3,542)	9,024	(18,064)	162	305,785
Restricted Income Funds									
Improvement Fund	0	-	-	-	(12,027)	-	12,027	-	-
Trusts	691	-	(39)	(39)	(218)	-	296	-	730
Head Master's Fund	945	12	(2,778)	(2,766)	(172)	-	3,153	(6)	1,154
Farrer	-	-	-	-	(1,397)	-	1,397	-	-
New Foundation	1,188	-	(921)	(921)	(411)	-	1,191	-	1,047
<i>From endowed funds</i>	<i>2,824</i>	<i>12</i>	<i>(3,738)</i>	<i>(3,726)</i>	<i>(14,225)</i>	<i>-</i>	<i>18,064</i>	<i>(6)</i>	<i>2,931</i>
Other Restricted Funds	4,925	12,632	(2,274)	10,358	(714)	-	-	(2,272)	12,297
Total income funds	7,749	12,644	(6,012)	6,632	(14,939)	-	18,064	(2,278)	15,228
Designated Funds									
Improvement & Maintenance Fund	32,505	986	-	986	(1,426)	1,045	-	-	33,110
Bursary Fund -Bursaries	5,407	1,582	(1,145)	437	(648)	45	-	-	5,241
Bursary Fund -Interest	-	-	-	-	(1,634)	1,634	-	-	-
P&F Designated	1,439	725	-	725	(297)	117	-	-	1,984
P&F Designated - Interest	-	-	-	-	(653)	653	-	-	-
Fixed Asset Reserve	88,864	-	-	-	-	-	-	732	89,596
Total designated funds	128,215	3,293	(1,145)	2,148	(4,658)	3,494	-	732	129,931
General Fund	3	59,200	-	59,200	(60,282)	1,955	-	1,384	2,260
Total Funds - Consolidated SOFA	444,173	85,136	(7,157)	77,979	(83,421)	14,473	-	-	453,204
Less subsidiaries	4,406	(1,136)	-	(1,136)	3,488	-	-	-	6,758
Add inter - company	(4,572)	131	-	131	(2,400)	-	-	-	(6,841)
Total Funds - Eton College only	444,007	84,131	(7,157)	76,974	(82,333)	14,473	-	-	453,121

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

The **Endowed Funds** are capital funds with a restricted purpose. They are classified as expendable endowment where both capital and income may be spent and as permanent endowment where only the income may be used, in either case for the specific purpose or activity laid down by the donor or relevant governing document. As the College operates a total return approach to all its invested funds, the accounting treatment is the same for all of the endowed funds.

The **Improvement Fund** is a fund established by a scheme of 1904 for the maintenance and preservation of school properties, the preserved capital of which since the enactment of the new Statutes in October 2016 is to be a permanently endowed fund.

The **Trusts Fund** consists of individual grants, legacies and gifts given to the College over many years for specific purposes which are laid down in the individual trust documents.

The **Head Master's Fund** is a special trust (and linked charity) used to fund scholarships, bursaries, prizes, travel grants and other special purposes.

The **Farrer Maintenance Fund** is a special trust (and linked charity) specifically for the improvement and maintenance of the College's buildings.

The **New Foundation Trust** is a special trust (and linked charity) which can be used for a variety of purposes for the benefit of the College, but in accordance with the wishes of the donor. During the year £2,577k was received in new donations and added to the New Foundation Trust, either directly (£2,445k) or by transferring accumulated donations from Other Restricted Income Funds (132k).

All of the endowed funds are part of the Eton College Common Investment Fund ("EC CIF"), which means that all investment and monies belonging to the endowed funds are pooled for investment purposes.

The **Restricted Income Funds**, corresponding to each of the Endowed Funds, represent the amount of income available for spending in accordance with the College's own internal spending rule. Each year restricted income from the Improvement and Farrer Funds is expended in full on the College's rolling maintenance programmes.

The **Other Restricted Income Funds**, which comprise around 100 separate funds, are to be used in accordance with the wishes of the donor or the fund-raising campaign through which the fund was raised. Examples of such purposes are: Bursaries, College Collections, Student Enrichment, Teaching and Research and Eton Partnerships. The Restricted Income Funds are fully expendable and wherever possible College expenditure is charged to a restricted fund in precedence to being charged against the General Fund. During the year £3,326k has been transferred to Fixed Asset Reserve to offset costs incurred in respect of Assets in Construction. £132k of accumulated donations have been transferred to the New Foundation Trust as Permanent Capital.

The **Designated Funds** are unrestricted but designated by the College for specific purposes:

The **Designated Improvement & Maintenance Fund** has been specifically designated for the general improvement of the College's facilities, and for the College's longer-term capital projects.

The **Designated Bursary Fund** represents the funds generated by investing the £45m private placement in the Eton College Common Investment Fund less the associated interest charges on the private placement. The **Designated P&F Fund** represents the funds generated by investing the £25m private placement partly in the property portfolio and partly in cash to meet the operational needs of the College. The **Designated Fixed Asset Reserve** represents the net book value of the tangible fixed assets on the balance sheet less the amount of the £40m private placement invested to date in the new sports facilities. At 31 August 2021 £30.3m (2020:£13.1m) had been spent.

The **General Fund** is unrestricted and represents the accumulated net income from the College's activities and other sources for the general purposes of the College.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

14 a ANALYSIS OF FUNDS BETWEEN CONSOLIDATED NET ASSETS - Current Year

Consolidated fund balances at 31 August 2021 are represented by:

	Note	Restricted		Unrestricted		2021 Total
		Endowed Funds	Income funds	Designated funds	General Fund	
		£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	7	-	-	124,448	-	124,448
Investments	8	369,824	2,677	125,177	61,443	559,121
Current assets, excluding cash		-	1,750	-	19,425	21,175
Cash		1,337	7,544	-	19,708	28,589
Creditors	11/12	-	-	-	(40,608)	(40,608)
Private Placements	12	-	-	(90,687)	(19,313)	(110,000)
Defined benefit pension liabilities	16	-	-	-	(36,858)	(36,858)
Other retirement provisions	17	-	-	-	(3,461)	(3,461)
Total Net Assets		371,161	11,971	158,938	336	542,406

14 b ANALYSIS OF FUNDS BETWEEN CONSOLIDATED NET ASSETS - Prior Year

Consolidated fund balances at 31 August 2020 are represented by:

	Note	Restricted		Unrestricted		2020 Total
		Endowed Funds	Income funds	Designated funds	General Fund	
		£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	7	-	-	102,724	-	102,724
Investments	8	298,902	4,578	100,735	71,313	475,528
Current assets, excluding cash		-	3,500	-	19,532	23,032
Cash		6,883	7,150	9,600	17,405	41,038
Creditors	11/12	-	-	(83,128)	(66,444)	(149,572)
Defined benefit pension liabilities	16	-	-	-	(35,887)	(35,887)
Other retirement provisions	17	-	-	-	(3,659)	(3,659)
Total Net Assets		305,785	15,228	129,931	2,260	453,204

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

15 STATEMENT OF TOTAL RETURNS

The preserved value of the invested endowed capital represents its carrying value on 1 September 2007, when the Total Return Order (dated 27 July 2008) was first applied, together with the gift value of any subsequent endowments and reinvested realised profits from the disposal of investment properties.

	Preserved Capital 1 Sept 2020	Movements in Endowment Funds	Transfers	Preserved Capital 31 August 2021			
	£'000	£'000	£'000	£'000			
Permanent Endowment							
Improvement Fund	111,875	135	-	112,010			
Trusts	3,432	120	-	3,552			
Head Master's Fund	2,816	-	-	2,816			
Sub total	118,123	255	-	118,378			
Expendable Endowment							
Farrer	22,094	-	-	22,094			
New Foundation	26,806	2,445	132	29,383			
Sub total	48,900	2,445	132	51,477			
Total Preserved Capital	167,023	2,700	132	169,855			
	Unapplied Total Return 1 Sept 2020 £'000	Investment Income £'000	Investment Costs £'000	Investment Gains £'000	Unapplied total return applied to capital expenditure £'000	Unapplied total return applied to income £'000	Unapplied Total return 31 August 2021 £'000
Permanent Endowment							
Improvement Fund	67,631	11,373	(2,191)	37,721	(2,157)	(10,163)	102,214
Trusts	8,216	660	(126)	2,157	-	(308)	10,599
Head Master's Fund	20,741	1,817	(346)	5,933	-	(3,424)	24,721
Sub total	96,588	13,850	(2,663)	45,811	(2,157)	(13,895)	137,534
Expendable Endowment							
Farrer	25,606	3,085	(587)	10,074	-	(1,454)	36,724
New Foundation	16,568	2,887	(550)	9,428	-	(1,285)	27,048
Sub total	42,174	5,972	(1,137)	19,502	-	(2,739)	63,772
Unapplied Total Return	138,762	19,822	(3,800)	65,313	(2,157)	(16,634)	201,306

The College has adopted a duly authorised total return approach for all of the funds invested in the Eton College Common Investment Fund. The amount of return applied as income is calculated as 3.5% of the average of the last five years' year-end valuations of investments. The Unapplied Total Return represents the amount available to be applied, at the P&F's discretion, over and above the 3.5% applied income. During the year, the College has utilised £9,455k (2020: £9,149k) of total unapplied return, over and above the 3.5% applied income, £4,731k (2020: £6,818k) from the Improvement Fund allocated against the cost of major works such as the Boarding House Refurbishment, £2,157k (2020: £nil) from the Improvement Fund against the cost of Capital Building Projects and £2,567k (2020: £2,330k) from the Head Master's Fund towards the costs of Bursaries.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

16 PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £3,342k (2020: £3,336k) and £nil (2020: £276k) was accrued at the year-end.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and is aiming to implement these changes in connection with the overdue 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these Financial Statements.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2021

Eton (1972) Scheme

The College operates an externally-funded defined benefit scheme - the Eton College Employees (1972) Pension and Life Assurance Scheme, which is based on final salary up to August 2006 and on career average salary from September 2006. This scheme is for non-teaching staff who commenced employment before November 2006. A full actuarial valuation was carried out as at 31 August 2019 by a qualified independent actuary. The valuation was performed on a "market-related" basis.

The employer's contributions, which were at the annual rate of 22% (2020: 18.8%), amounted to £610K (2020: £572K). In addition, contributions to repay the deficit of £1,200K (2020: £450K) were made. The number of active members as at 31 August 2019 was 96 (2016: 129). The employees' contribution rate has been 8% since 1 September 2012.

Benefits derived from pensionable service since April 2006 must be increased by RPI, subject to a maximum of 2.5%, those relating to membership for the period April 1997 to April 2006 must be increased by RPI, subject to a maximum of 5%, and those relating to membership prior to April 1997 must be increased by CPI, subject to a maximum of 3%. The increases for benefits derived from membership prior to April 1997 apply to both the GMP (Guaranteed Minimum Pension) and any portion in excess of the GMP.

The principal assumptions used to value the Eton College (1972) Pension and Life Assurance Scheme under FRS102 were as follows:

	2021	2020
Rate of increase of pensions in payment (pre-1997 benefit)	2.30%	2.00%
Rate of increase of pensions in payment (post 1997 benefit)	3.30%	3.10%
Rate of increase of pensions in payment (post 2006 benefit)	2.30%	2.20%
Discount rate	1.60%	1.60%
RPI inflation assumption	3.50%	3.20%
CPI inflation assumption	2.80%	2.40%
Revaluation in deferment	2.80%	2.40%
Expected rate of salary increases	2.50%	2.50%
Expected return on assets at beginning of year*	1.60%	1.90%

* Under the FRS102 standard, the expected return on assets is effectively based on the discount rate used to value the liabilities with no allowance made for any outperformance expected from the Scheme's actual asset holding. No allowance has been made for members to take tax free cash at retirement.

Mortality assumptions have been made on the basis of SAPS ("S3NA") normal year of birth tables with CMI 2018 projections, a long-term rate of improvement of 1.5% pa and an initial addition of 0.5% pa (2020: SAPS ("S3NA") normal year of birth tables with CMI 2018 projections and a long-term rate of improvement of 1.5% pa and an initial addition of 0.5% pa).

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows:

	31 August 2021	31 August 2020
Life expectancy at age 65		
Male currently aged 45	89	89
Female currently aged 45	92	92
Male currently aged 65	88	88
Female currently aged 65	90	90

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The sensitivities regarding the principal assumptions used to measure the total liabilities are set out below:

Assumption	Change in assumption	Impact on total liabilities
Life expectancy	Increase by one-year	Increase by 5.2%
Rate of inflation	Increase by 0.25%	Increase by 3.4%
Discount rate	Increase by 0.25%	Decrease by 4.6%

Amounts recognised in the statement of financial activities in respect of the Eton (1972) Scheme are as follows:

Amounts charged to net incoming resources:	Eton (1972) Scheme 2021 £'000	Eton (1972) Scheme 2020 £'000
Current service cost	1,356	1,423
Interest on liabilities	1,234	1,443
Interest on assets	(674)	(777)
Past service cost	-	-
Total charged to net incoming resources	1,916	2,089

Remeasurements over the year:	Eton (1972) Scheme 2021 £'000	Eton (1972) Scheme 2020 £'000
Loss (gain) on scheme assets in excess of interest	(2,557)	(303)
Experience losses (gains) on liabilities	-	(1,223)
Losses (gains) from changes to demographic assumptions	-	(373)
Losses (gains) from changes to financial assumptions	3,421	1,540
Changes in effect of asset ceiling	-	-
Total remeasurements	864	(359)

The amount included in the balance sheet arising from the College's obligations in respect of the Eton (1972) Scheme is as follows:

Amounts recognised in the Balance Sheet:	Eton (1972) Scheme 2021 £'000	Eton (1972) Scheme 2020 £'000
Present value of funded obligations	(82,156)	(78,073)
Fair value of assets	45,298	42,186
Surplus / (deficit)	(36,858)	(35,887)
Impact of asset ceiling	-	-
Net defined benefit liability*	(36,858)	(35,887)

*Net defined benefit liability shown prior to deferred taxation

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Notes to the Financial Statements (continued)
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Movements in the present value of defined benefit obligations were as follows:

	Eton (1972) Scheme 2021 £'000	Eton (1972) Scheme 2020 £'000
Liabilities at 1 September	(78,073)	(76,605)
Current service cost	(1,356)	(1,423)
Employee contributions	(222)	(243)
Past service costs	-	-
Interest costs	(1,234)	(1,443)
Benefits paid	2,150	1,585
Experience gain/(loss) on liabilities	-	1,223
Changes to demographic assumptions	-	373
Changes to financial assumptions	(3,421)	(1,540)
Liabilities at 31 August	(82,156)	(78,073)

Movements in the fair value of scheme assets were as follows:

	Eton (1972) Scheme 2021 £'000	Eton (1972) Scheme 2020 £'000
Assets at 1 September	42,186	40,676
Interest on assets	674	777
Employer contributions	1,810	
Employee contributions	222	243
Benefits paid	(2,150)	(1,585)
Return on plan assets less interest	2,556	303
Assets at 31 August	45,298	42,186

Eton (1972) Scheme assets

The assets of the Eton (1972) Scheme are held separately from those of the College, being invested by the scheme trustees with an investment manager. The analysis of the scheme assets at the balance sheet date was as follows:

	Value at 31 August 2021 £'000	Value at 31 August 2020 £'000
Target Return Funds	44,015	40,853
Cash	613	613
Insured annuities	670	720
Total fair value of assets	45,298	42,186
Present value of Eton (1972) Scheme funded obligations	(82,156)	(78,073)
Deficit in the Eton (1972) Scheme	(36,858)	(35,887)
Related deferred tax liability	-	-
Net Eton (1972) Scheme pension liability	(36,858)	(35,887)

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Notes to the Financial Statements (continued)

For the year ended 31 August 2021

The major categories of assets as a percentage of total assets during the year were Target Return Funds with Threadneedle (48%) and Pyriform (49%) that invest in a range of asset classes, and cash and insured annuities (3%). The actual return on the Scheme's assets over the period to the Review Date was a gain of £3,231K.

The actuarial value of the scheme's assets as at 31 August 2019 represented 85% of the benefits that had accrued to members, after allowing for future expected increases in earnings, corresponding to a deficit of £7,118K (after allowing for the insured pensions valued at £623K). The previous recovery plan of additional contributions of £450K pa continued to apply to 31 August 2020. The College topped up the contributions in the year to 31 August 2020 to make total contributions of £1,200K. Additional contributions of £1,200K pa over a further 6 years are being paid from from 1 September 2020. Expenses and death-in-service premiums have been met by the College since 31 August 2014.

Eton College Group Personal Pension Scheme

The College operates a Group Personal Pension Scheme which is open to non-teaching staff who began their employment after 2006. Contributions to this scheme totalled £1,238k (2020: £1,167k) during the year. An amount of £106k was accrued at the year-end (August 2020: £98k).

EtonX Group Personal Pension Scheme

Contributions totalling £40k (2020: £30k) were made to the EtonX Group Personal Pension Plan. An amount of £3k was accrued at the year-end (2020: £2k).

17 OTHER RETIREMENT PROVISIONS

	Consolidated and Eton College	
	2021	2020
	£'000	£'000
Other retirement provisions	3,461	3,659

The College holds a provision to fund post retirement payments to a number of ex-masters, ex-masters' wives and a small number of former support staff. It is not intended that any further such pensions will be awarded. Eton College holds £17,296k (2020: £14,265k) in the Eton College Common Investment Fund to cover these liabilities and to contribute to any shortfall in the 1972 defined benefit scheme.

18 FINANCIAL INSTRUMENTS

	Note	Consolidated		Eton College	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Financial assets measured at amortised cost	(a)	47,341	61,199	47,018	60,845
Financial assets measured at fair value	(b)	559,121	368,790	559,121	368,790
Financial liabilities measured at amortised cost	(c)	(119,227)	(117,502)	(119,078)	(117,130)
		487,185	312,487	487,061	312,505

(a) Financial assets measured at amortised cost include cash, trade and fee debtors, staff loans, other debtors and accrued income.

(b) Financial assets measured at fair value consist of investments.

(c) Financial liabilities include trade creditors, acceptance fees, other creditors, bank loans and pension liabilities.

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Notes to the Financial Statements (continued)
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Impairment losses charged to financial assets in the year amounted to £238k (2020: £359k)

19 CAPITAL COMMITMENTS

Costs contracted for but not provided for as at 31 August 2021 in respect of capital improvements and developments amounted to £14.4m (2020: £22.0m).

20 LEASES

The total future minimum lease income under non-cancellable commercial property leases is as follows:

	2021	2020
	£'000	£'000
Receivable in less than 1 year	3,369	2,696
Receivable between 1 and 5 years	11,785	7,144
Receivable in greater than 5 years	12,683	10,603
	27,837	20,443

21 RELATED PARTY TRANSACTIONS

Details of the remuneration of and expenses paid to related parties (i.e. the Provost and Fellows and Key Management Personnel) are included in the penultimate paragraph of note 6, and details of subsidiaries are detailed in note 4.

There were no other related party transactions in the current or prior year.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2021

22 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds		Restricted Funds		Total 2020 £'000
		General Funds £'000	Designated Funds £'000	Restricted income funds £'000	Endowed funds £'000	
INCOME FROM						
Charitable activities						
School fees		49,853	-	-	-	49,853
Scholarships and bursaries		-	(1,145)	(6,012)	-	(7,157)
Discount on pre-paid fees	9	(132)	-	-	-	(132)
Net school fees		49,721	(1,145)	(6,012)	-	42,564
Other income	2	4,413	-	53	-	4,466
Donations	2	3,192	-	12,585	1,366	17,143
Investment income	3	758	3,293	6	8,633	12,690
Trading income	4	1,116	-	-	-	1,116
Total income		59,200	2,148	6,632	9,999	77,979
EXPENDITURE ON						
Charitable activities	5	(56,066)	(1,022)	(14,939)	-	(72,027)
Raising and managing funds	5	(4,216)	(3,636)	-	(3,542)	(11,394)
Total expenditure		(60,282)	(4,658)	(14,939)	(3,542)	(83,421)
Net (expenditure) /income before investment gains and transfers		(1,082)	(2,510)	(8,307)	6,457	(5,442)
Net investment gain		1,566	3,494	-	9,024	14,084
Transfers between funds	13b	1,384	732	15,786	(17,902)	-
NET INCOME/ (EXPENDITURE)		1,868	1,716	7,479	(2,421)	8,642
Pension scheme actuarial gain/(loss)	16/17	389	-	-	-	389
NET MOVEMENT IN FUNDS		2,257	1,716	7,479	(2,421)	9,031
Funds brought forward		3	128,215	7,749	308,206	444,173
FUNDS CARRIED FORWARD	13b	2,260	129,931	15,228	305,785	453,204